

II. PROGRAM DESCRIPTION

A. EXCLUDED ZONE DISTRICTS

1. Phase 1– Program Exclusions

a. Inappropriate Building Form

The Zoning Commission excluded the R-1 and R-2 zone district from the Inclusionary Zoning program during Phase 1, because it had concluded that the types of semi-detached or rowhouse buildings needed to accommodate IZ would be inconsistent with the single-family detached residence nature of these zones.

b. Zones Districts That Exclude Residential Use

The Commission also excluded M and C-M zones, which are industrial and production/distribution/repair zones where residential uses are prohibited, as well as the GOV zone which is reserved for governmental uses.

2. Phase 2 – Application Exclusions

The Commission directed OP to assume that, in Phase 2, no IZ requirement should apply to areas of the District where there is no potential opportunity to offer bonus density. Opportunities for bonus density are limited in zones where FAR limits are set very close to what practicable lot occupancy and the Congressional 1910 Height Act allow. OP has identified three such areas: the Downtown Development District (DD), TDR Receiving Zones (*Map 2* illustrates these areas¹), and the R-5-E zone.

a. Excluded at Setdown

i. The Downtown Development District (DD)

At setdown, OP recommended excluding the DD from IZ requirements and the Commission did not advertise its inclusion. Changes made to DD Zoning Regulations in 2000 permitted residential buildings to be built to an FAR limited only by lot occupancy and the Height Act. For many properties this resulted in a 20% to 25% increase in FAR. Given federal height limitations, there essentially is no further bonus density that can be given in the DD and, therefore, no ability to balance IZ requirements with bonus density.

¹ The recent Commission decision (Z.C. Order No. 04-18) that added Square 483 to the DD is not yet reflected in this map.



Map 3. DD & TDR Excluded Areas.

ii. Transferable Development Receiving Zones (TDR)

OP recommended and the Commission agreed that TDR receiving zones should be excluded from IZ requirements. OP recommends that this exclusion apply only to parcels in TDR receiving zones as of the effective date of the proposed Phase 2 IZ regulations. New or TDR receiving zones expansions of existing receiving zones would be subject to IZ. Property owners would be able to take into account the IZ requirements when purchasing TDRs for their developments.

The District has five TDR receiving zones, all of which are located in the central part of the city. In most of the receiving Squares, it is possible to purchase enough development rights to construct the maximum possible development permitted by Congressional height restrictions. TDRs have already been purchased and transferred to most Squares that are capable of receiving them. In such locations, there is essentially no way additional density bonuses could be used as incentives or compensation for inclusionary housing. For this reason land within current TDR receiving zone boundaries should be excluded from mandatory IZ requirements.

iii. R-5-E

At set down OP recommended and the Commission agreed that the R-5-E should be excluded from IZ requirements due to the inability to add bonus density under the 90 foot Height Act limitation and still provide adequate light and air.

b. Proposed Additional Exclusions

i. Overlay Zones

OP reviewed all of the Zoning Regulations' existing overlays to determine the compatibility of IZ with the intent of each overlay. This analysis is described in Section III of this report. The tables summarizing this analysis are found in the Appendix Table 1 and 2. OP concluded that -- for the most part -- overlays should not be exempted from IZ requirements. The provision of affordable housing is a critical District-wide need. Meeting this need is an important enough public good to justify relatively modest modifications to some overlays' limits on height and/or lot occupancy. For this reason OP

developed the recommendations summarized below.

OP recommends that:

- The C-2-A zone within the Naval Observatory (NO) be exempted from Inclusionary Zoning, due to federal interests;
 - Where an existing overlay is more restrictive than matter of right development, the IZ 20% bonus should be calculated using the lesser FAR permitted by the overlay. See section III.F. for details.
- Where an existing overlay provides a bonus above matter-of-right development, the Inclusionary Zoning bonus must be used first, up to the IZ maximum, after which, if there is remaining room with the existing overlay's maximum bonus, then the overlay bonus may be used as well. See Section III.F. for details.

ii. Historic Districts

OP recommends that two zone districts within Historic Districts be excluded from IZ requirements: the W-2 in the Georgetown Historic District and the R-3 in the Anacostia Historic District. OP concluded that the change in the zoning envelope to use the bonus density had sufficient impact on neighborhood form to make approval of the bonus density by the HPRB highly unlikely.

B. INCLUDED ZONE DISTRICTS

After excluding the areas the Zoning Commission excluded in the Phase 1 program stage, and those that were not advertised for inclusion at the setdown for the Phase 2 Application stage, several zone districts remain where IZ can be applied. This section describes these zones and notes whether or not height and/or lot occupancy changes would be needed to accommodate additional density in conjunction with IZ.

1. Residential Zones

a. No Change to Zoning Envelope

Most residential zones have sufficient flexibility within their current zoning envelopes to accommodate IZ's bonus density without changes to height or lot occupancy. These zones include the R-5-A through R-5-D zones. This can be accomplished because the existing height limits permit more stories than are needed to reach the matter of right FAR.

b. Changes to Zoning Envelope

The Zoning Commission decided in Phase 1 of Case 04-33 that the R-3 and R-4 zones would receive changes to minimum lot width and lot areas. Table 3, below, summarizes the modifications approved by the Commission.

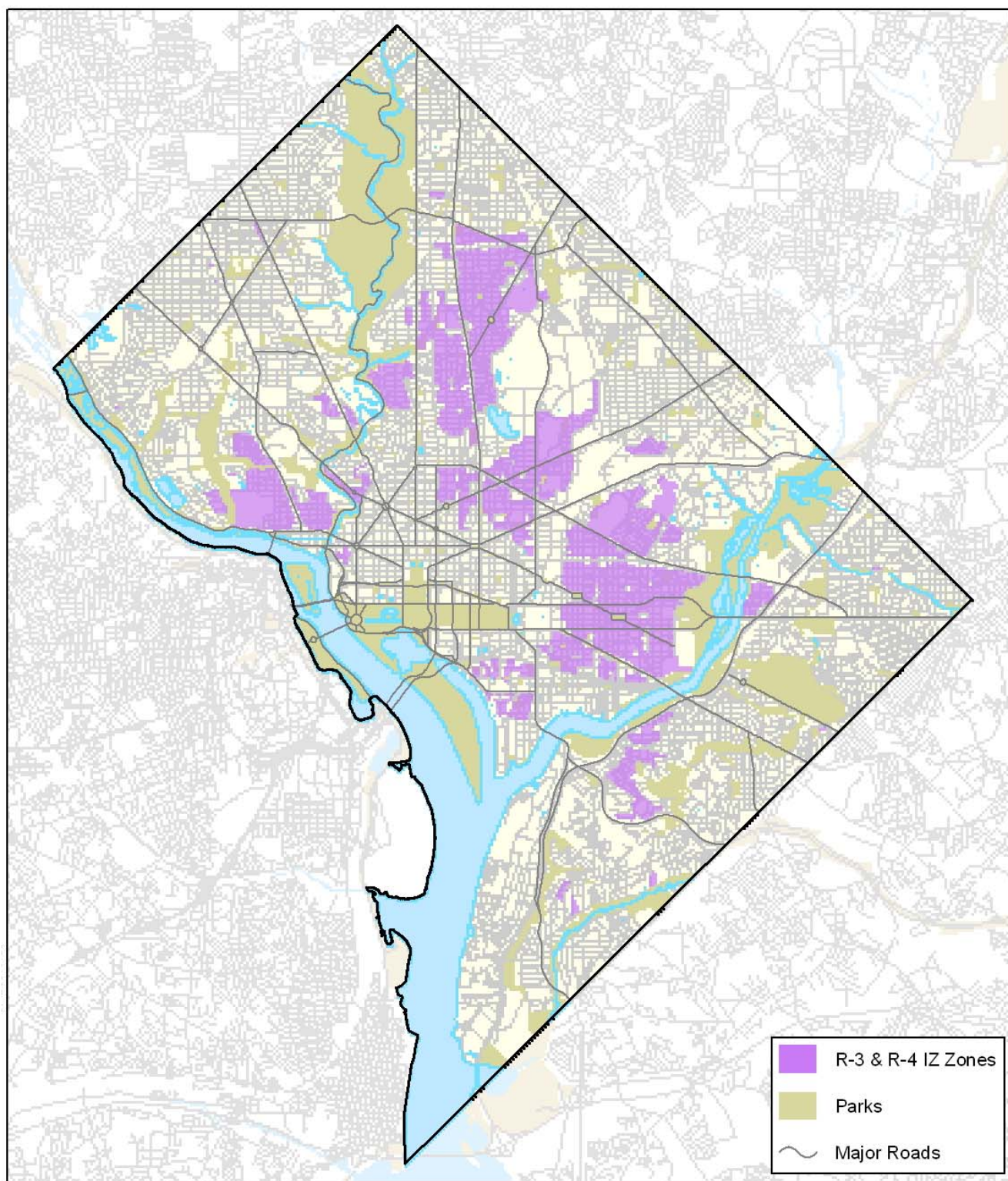
Base Zone	Matter of Right		IZ Zoning Modifications	
	Minimum Lot Area	Minimum Lot Width	IZ Minimum Lot Area	IZ Minimum Lot Width
R-3	2,000	20	1,600	16.0
R-4	1,800	18	1,500	15.0

Table 3. R-3 & R-4 Approved Lot Changes

A development of 10 or more units would have to assemble 20,000 square feet of land in an R-3 zone. Since the R-4 zone permits 2 flats per rowhouse, the smallest possible parcel that would trigger IZ requirements would be 9,000 square feet (5 lots of 1,800 square feet with 2 flats on each lot). Much of OP's work on neighborhood impacts focused on documenting the extent to which these changes had on neighborhood form.

OP has explored the implications of such changes on potential neighborhood form and found them to be relatively small. This is further discussed and illustrated in Section III of this report.

The R-3 and R-4 are shown in Map 3 on the following page.



Map 4. R-3 and R-4 Row House IZ Zones (See Appendix Map 2 for 8.5"x11") .

2. Mixed-Use and Commercial Zones

a. No Change to Zoning Envelope

A few mixed-use/commercial zones need no changes to their zoning envelope. These include C-1, C-3-B, and – possibly --the C-3-C zones. However, as mentioned, the C-3-C zone may need additional study.

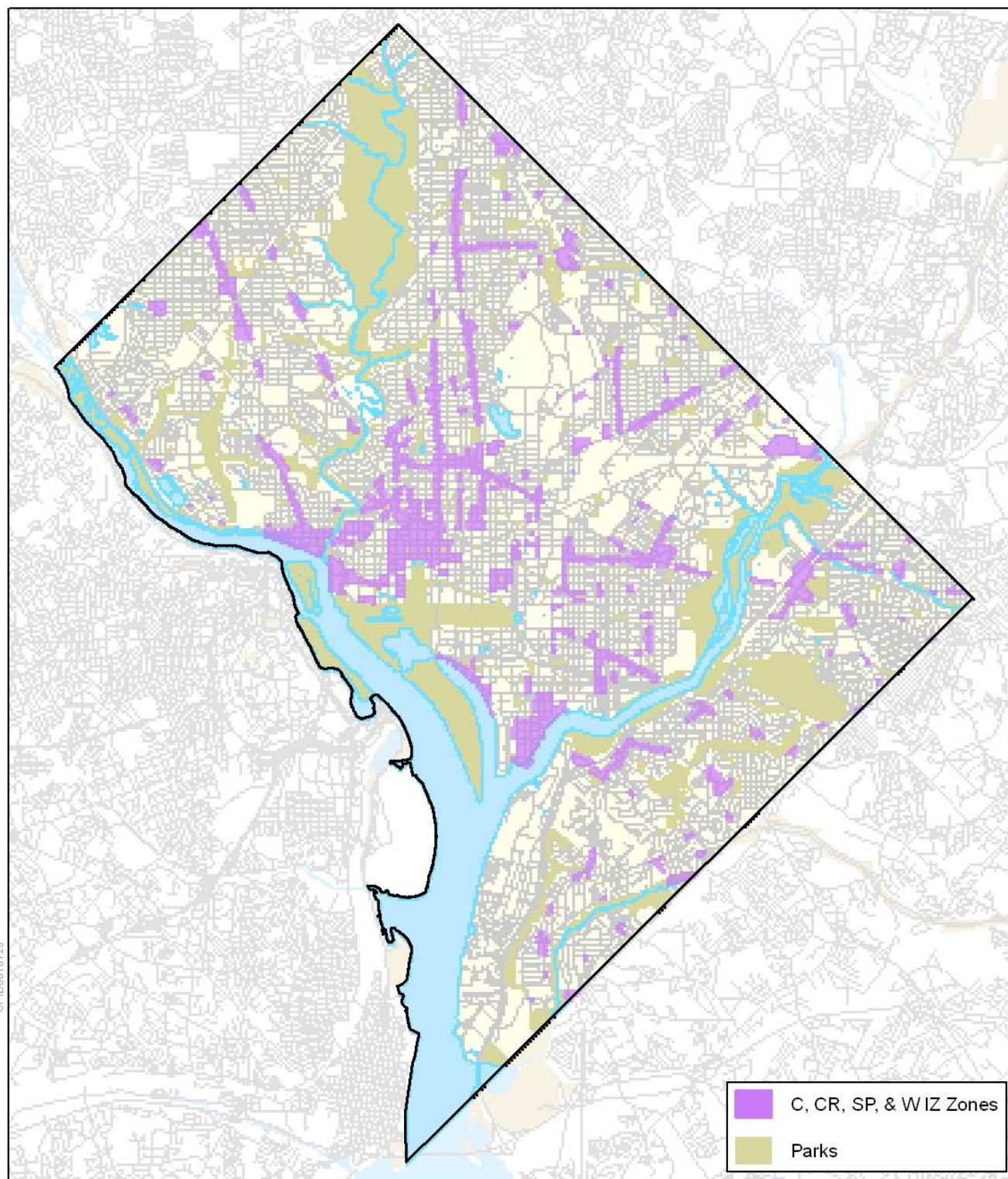
b. Changes to Zoning Envelope

All commercial and mixed-use zones permit residential uses in addition to commercial uses. Many of these zones require adjustments to height and/or lot occupancy requirements to accommodate IZ's bonus density. Map 4, on the following page, illustrates the commercial and mixed-use zones, or portions of those zones, that the Zoning Commission did not exclude in either Phase 1's Order No. 04-33, or in the advertising for the Phase 2 setdown. The IZ-related adjustments the Commission adopted for these zones in Order 04-33 are shown in red and bold in Table 4, below.

Base Zone	Matter of Right Zoning Constraints			IZ Zoning Modifications		
	Lot Occupancy	Zoning Height	Zoning FAR	Lot Occupancy	Height	Permitted FAR w/Bonus
CR	75%	90	6.00	80%	100	7.20
C-2-A	60%	50	2.50	75%	50	3.00
C-2-B	80%	65	3.50	80%	70	4.20
C-2-C	80%	90	6.00	90%	90	7.20
C-3-A	75%	65	4.00	80%	65	4.80
W-1	80%	40	2.50	80%	50	3.00
W-2	75%	60	4.00	75%	80	4.80
W-3	75%	90	6.00	80%	100	7.20
SP-1	80%	65	4.00	80%	70	4.80
SP-2	80%	90	6.00	90%	90	7.20

Table 4. Commercial Mixed-Use Zones Approved Envelope Changes.

Height increases range between five and ten feet in all but the W-2 zone. The W-2 zone was increased by 20 feet. Potential lot occupancy increases range between 5% and 10% in all but the C-2-A zone. The C-2-A zone received a 15% increase in lot occupancy. CR and W-3 zones received changes to both height and lot occupancy.



Map 5. Commercial and Mixed-Use IZ Zones (See Appendix Map 3 for 8.5"x11")

In Order No.04-33, the approved summarized OP believes that along commercial corridors, especially those that are frequently adjacent to lower or moderate density residential neighborhoods, there is less of an effect on neighborhood character when lot occupancy is adjusted than from height increases. This is based on visual analysis, previous testimony, and many community meetings since. However, some residents have expressed a preference for granting extra height in order to retain more space that is not built upon.

3. Overlay Zones

OP recommends that IZ respect the intent of pre-existing overlays. Where overlays restrict density below the zone district's matter-of-right limits, bonus density should be provided based on the overlay's restricted FAR rather than the underlying zone's matter-of-right FAR. OP notes that this raises complications for adjusting the overlays' height and lot occupancy to accommodate IZ bonuses. This is fully discussed in Section X. The complete list of overlays and their potential interactions with IZ is included as Appendix X.

Where overlays provide bonus density for preferred uses or to incent development, OP recommends that a development exhaust the IZ bonuses before being able to use pre-existing bonuses for other preferred uses.

III. IMPACT ANALYSIS

This following section discusses potential impacts on development and population, transportation, public services, infrastructure and – most importantly -- neighborhood character, including historic districts and overlays..

A. DEVELOPMENT & POPULATION

In order to estimate the impacts of IZ on the District of Columbia, OP has explored the potential increase in the number of units due to IZ, where they are likely to be located, and their impact on neighborhood character, infrastructure and public services. This examination has been greatly assisted by the technical reports undertaken for the proposed new Comprehensive Plan, which took the passage of Inclusionary Zoning, and a significant increase in housing units, as two of its assumptions.

1. 2006 Comprehensive Plan

Throughout the discussions of Inclusionary Zoning by the Zoning Commission, the Office of Planning relied on the adopted 1998 Comprehensive Plan rather than on the emerging 2006 Comprehensive Plan. It was OP's belief that, since the 2006 Plan was not yet adopted, there had to be sufficient support in the current (1998) Plan for IZ to proceed. The only other external analysis or public policy document OP included in its analysis was the Comprehensive Housing Strategy Task Force Report *Homes for an Inclusive City*, which was accepted by Council and published in Spring 2006.

On July 14, 2006 the Office of Planning submitted the Mayor's Draft of the District of Columbia Comprehensive Plan to the District Council. Public hearings to review the Draft Plan will begin on September 26, 2006. OP believes that with the Mayor's Draft publication it is now appropriate to include reference to it for discussion purposes. Although the policy statements have not been officially accepted, the data and analyses are the current best thinking on the growth potential of the District and the potential impacts that growth will have.

The July 2006 Mayor's draft of the proposed District Elements of the Comprehensive Plan identifies expanding housing supply for all segments of the community as key to maintaining and improving District neighborhoods and the District's overall fiscal health. The draft plan's policies seek to ensure that the District can accommodate up to 3,000 new housing units each year – i.e., 55,000 new residential units by 2025 -- while also improving the quality of life for all District residents.

In crafting its policies and actions, and assessing their impact, the Mayor's Draft has already incorporated the presence of several new or expanded housing programs, including mandatory Inclusionary Zoning. The projected 310 new housing units the IZ program's bonus density will generate each year (of which 170 will be affordable), have already been factored into the draft Comprehensive Plan. They are not "in addition to" the draft Comprehensive Plan's assumptions.

2. Growth Forecasts

The new Comprehensive Plan is underpinned by 2005-2025 projections of households, population, and employment. These are found in Section 2.2.3 of the Framework Element of the Mayor's Draft dated July 2006 and are found in this report in Figure 1 below².

The District's short term (2005-2015) forecasts are based on actual residential and commercial development projects that are expected to be built and absorbed between 2005 and 2015. Its longer-term (2015-2025) forecasts are based on conceptual proposals for large "new neighborhoods" and other vacant and/or underutilized sites identified during the city's 2005 land use inventory. The forecasts for household growth represent the assumption that City will capture roughly 10% of the region's growth over the next 20 years. If this holds true, the City will have a smaller share of the regional population in 2025 than it does today—but will capture a larger share of the region's growth in the next 20 years than it did during the last 20 years.

Table 2.2: Population, Household and Job Forecasts, 2005-2025 ^{215.2}						
	2005	2010	2015	2020	2025	20-year change
Households	254,700	265,800	279,700	295,700	311,800	57,100
Population*	576,700	599,300	630,000	664,000	698,000	121,200
Employment	745,400	783,800	819,600	845,700	870,400	125,000

**The District's population includes about 37,200 people living in group quarters (dormitories, institutions, nursing homes, etc.). For projection purposes, this population is expected to remain about the same over the next 20 years.*

Figure 1. Growth Forecast Table From 2006 Comprehensive Plan.

In 2005 the District captured 7.8% of the region's residential development. It is on track to capture 9.3% in 2006. While regional development in 2006 is down as (-19% as of June) from the pace of 2005, it is up 4% in the District during the same time period. This is growing evidence of the national trend toward urban living, the locational benefits of the District, the impacts of congestion and rising fuel costs on housing choice, and the renewed popularity of the District due to increased public safety, retail and entertainment choices, economic growth, and neighborhood revitalization.

The proposed (2006) Comprehensive Plan includes policy and action recommendations that express clear support for IZ. Action H-1.2-A states:

² The Comprehensive Plan forecasts for 2025 are somewhat lower than the forecasts officially in use by MWCOC for traffic and air quality modeling, but it is expected that MWCOC will update its forecasts in 2007 to match the District's projections. Moreover, the US Census Bureau has recently updated the District's estimated baseline (2005) population to a figure that is much closer to the District's own estimate.

“Action H-1.2-A Inclusionary Zoning

Adopt an Inclusionary Zoning requirement which would require the inclusion of affordable units in new residential development of 10 units or greater, with accompanying provisions for density bonuses. Apply this requirement as fairly and uniformly as possible, providing exceptions as necessary for sites where density bonuses cannot feasibly be provided.”



Planning Area	2005 Households	2025 Households	Net Increase	% of District's total growth in each area
Anacostia Waterfront	11,100	21,300	10,200	17.9%
Capitol Hill	21,600	24,700	3,100	5.4%
Central Washington	8,000	16,400	8,400	14.7%
Far NE/ SE	26,700	30,900	4,200	7.4%
Far SE/ SW	22,800	30,100	7,300	12.8%
Mid-City	38,300	45,000	6,700	11.7%
Near Northwest	34,000	39,800	5,800	10.2%
Rock Creek East	24,600	28,000	3,400	6.0%
Rock Creek West	42,400	45,300	2,900	5.1%
Upper Northeast	25,200	30,300	5,100	8.9%
Total	254,700	311,800	57,100	100.0%

Source: DC Office of Planning, 2005

Figure 2. Growth Forecast by Planning Area Table from the 2006 Comprehensive Plan.

This is important for several reasons:

- The Plan’s forecasts presume IZ is in place, and already account for its impact on housing production. In the absence of IZ, it is possible that fewer housing units would be produced, and the population would not reach the levels anticipated.
- The other elements of the plan respond to the challenges of an increased number of households on the District. For example, technical studies on topics like Transportation and Infrastructure presumed the addition of 57,000 households by 2025. By contrast, the 1998 Plan continues to rely on 1980 forecasts for the year 2000 which anticipated a population decline to 523,000 (the actual population in 2000 was 572,000). In fact, the Census reports that the city’s population is now on the rise. The 2006 Comprehensive Plan is the first citywide Plan in 50 years that anticipates growth. Below are a few examples of the integration of growth management concerns in the Draft Plan:

- Transportation – this element call for many new transit and transportation demand management programs to help relieve congestion and respond to increased travel demand
 - Infrastructure – this element plans for capital investment to help meet future water and wastewater capacity needs
 - Educational Facilities – this element advocates maintaining public ownership of schools to prepare for eventual increases in student population.
- IZ will not result in household/population growth levels that exceed the current Comprehensive Plan forecasts. The forecasts are based on the percent of the region’s growth that will be “captured” by the District during the next 20 years (10 percent is presumed), and assume IZ is already in place. However, IZ may affect the distribution of future development in the city, and the size and character of that development. If the District’s ability to absorb regional growth is finite, IZ may result in a smaller number of projects with a larger number of units. For these reasons OP’s analysis of the impact of IZ largely focuses on the changes to neighborhood form caused by the changes in density, height and lot occupancy.

3. Potential Future Development

From 1999 to 2005 the District approved an average of approximately 1,720 new construction

Assumptions		Units
Average Annual Production		1,720
10 units or more	90%	1,548
Bonus Density	20%	310
Percent Affordable	55%	170

residential units a year, from a low of 920 units in 2000 to a high of 2,860 units in 2005. Upwards of 90% of these units are part of multi-unit projects of 10 or more. In addition, some of these approved units are the result of Planned Unit Developments (PUDs) that already include density bonuses and others are outside even the expanded proposed IZ target area. Table 5 provides OP’s assumptions and

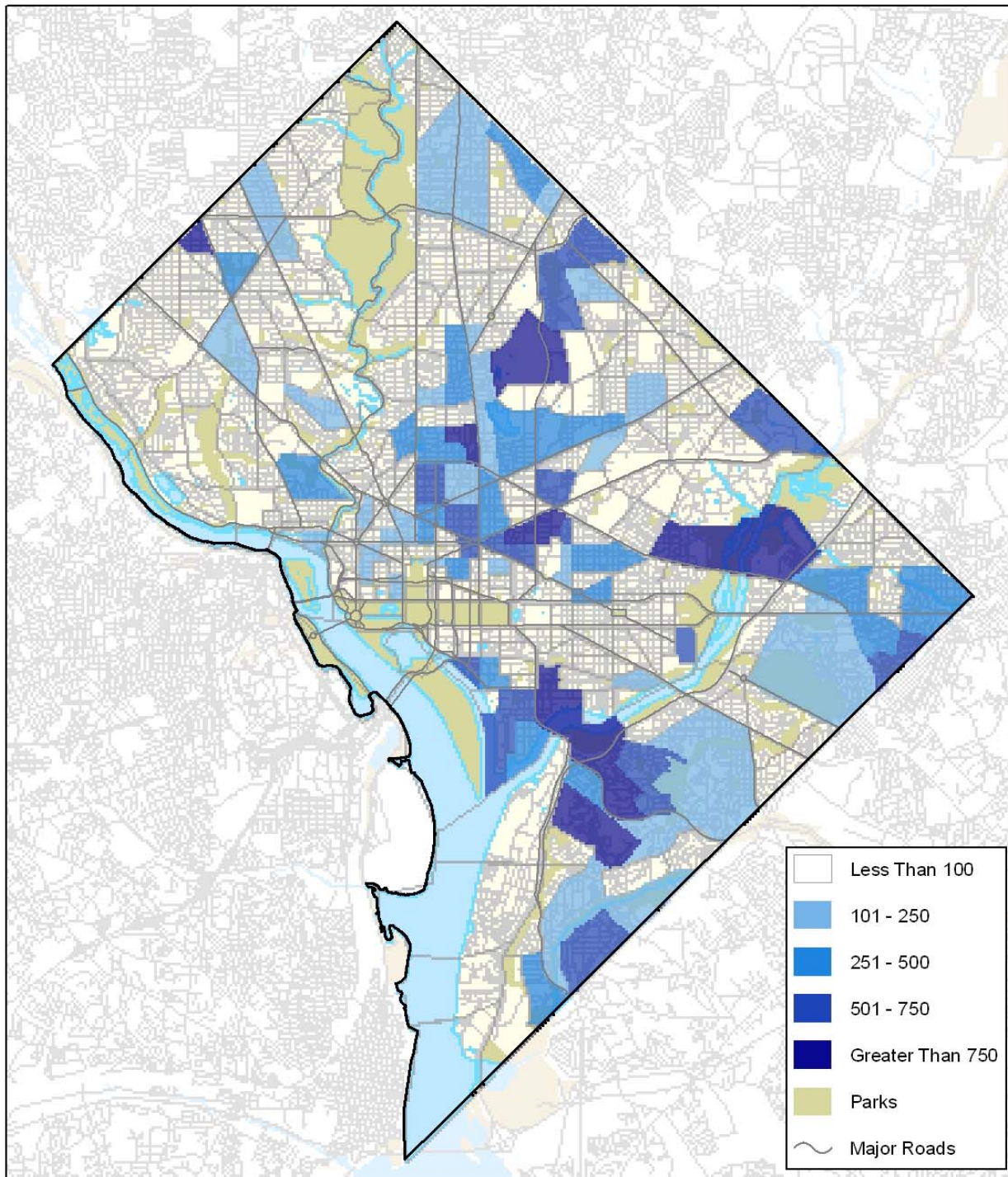
Table 5. Baseline IZ Unit Assumptions.

estimate of the average annual production of IZ.³ On average, the IZ program would, each year, yield approximately 170 units of bonus density affordable housing units and 140 units of bonus density market rate housing for a total of 310 units per year. This is about the equivalent of a medium-sized apartment building, but the total 310 units would be distributed throughout all portions of the District. However, this number could vary dramatically from year to year. In very productive years like 2005 roughly 280 affordable units would be added to DC’s stock of affordable units. In years like 2000 only 91 affordable units might be developed. However, OP’s official estimates for job growth and household formation are based on production estimates closer to the 2005 number.

³ 55% percent affordable was chosen because the vast majority of the District’s future growth is likely to be in steel and concrete frame construction.

The next step in estimating the impact is identifying where future development is likely to happen. Map 6 is based on the City's Traffic Analysis Zones (TAZ).⁴ OP's TAZ analysis is based on the pipeline of development activity, new neighborhoods, and available vacant land. The map shows where the majority of future growth is likely to happen. Most of the growth is expected from Shaw and NoMa up the Red Line into Northeast and at the Armed Forces Retirement Home, the SW/SE Waterfront, and east of the river at the Anacostia, Congress Heights and Minnesota Avenue Metrorail stations. Some of the major expansion areas – notably Mt Vernon Triangle and NoMa – are areas where IZ requirements are not proposed because existing zoning regulations, such as the DD and TDR receiving zones, have already maximized the areas' abilities to absorb additional density.

⁴ TAZs are used by the Washington Area Council of Governments for transportation planning. OP provides COG our estimates of population change by TAZ. The twenty year forecast is based on locations of pipeline projects over the next ten years and opportunities from new neighborhoods and vacant land over the remaining ten years.



Map 6. Projected Household Growth by TAZ 2010 - 2025

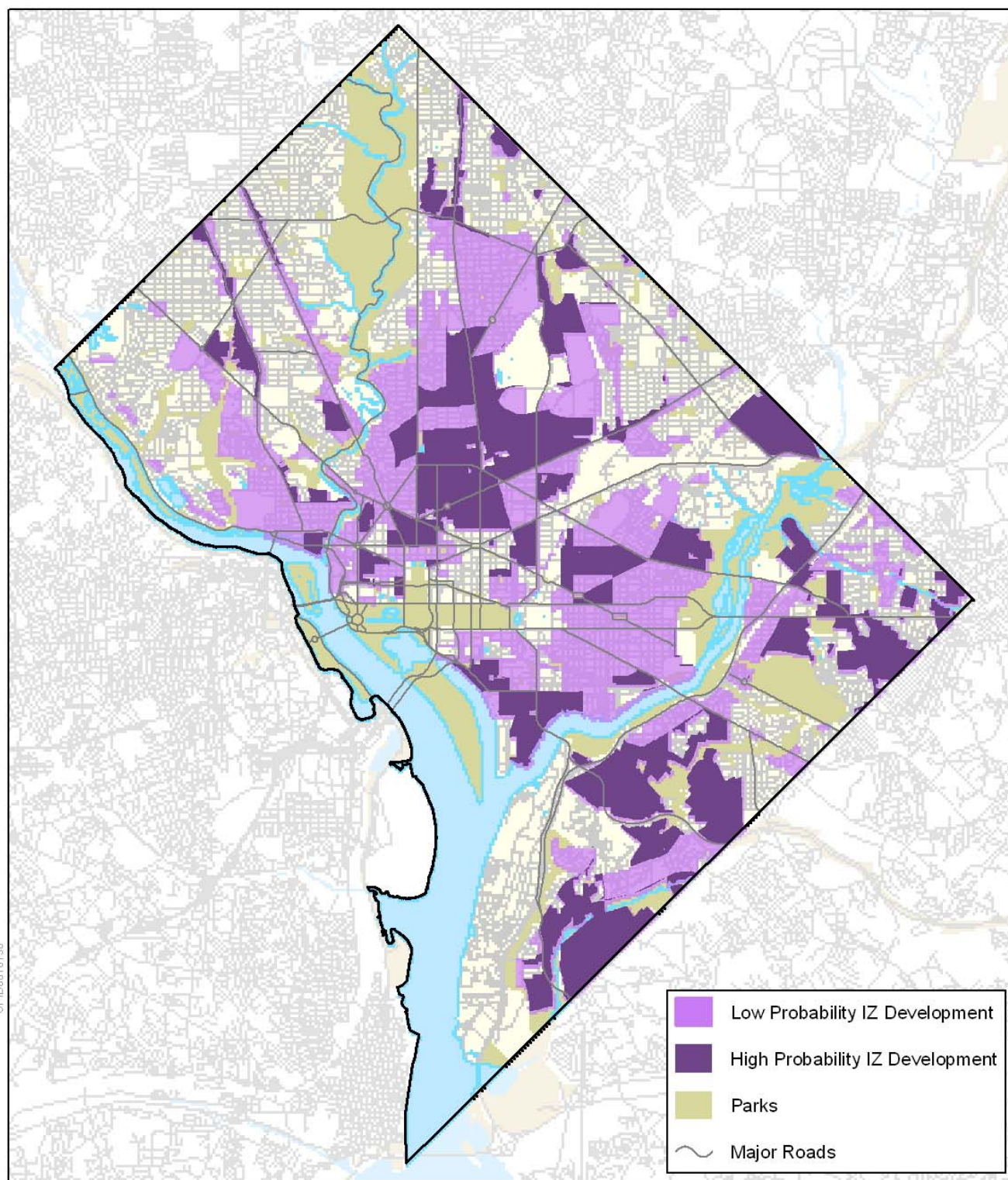
Many of the outer neighborhoods of single family housing are largely built-out; little growth is expected there over the next twenty years. The areas not shaded in blue are where growth opportunities are severely limited. The median net increase of units in those areas is only twenty-four

units over the next twenty years. Typically in those areas there is insufficient assembled land to reach the ten unit minimum required by IZ. The majority of growth potential in the outer neighborhoods comes from vacant and underutilized parcels along major corridors.

By merging Map 6, the TAZ population projections, with Map 1, the zone districts where OP is recommending that IZ apply, and then eliminating the areas where there is no overlap between the two, it is possible to project the areas of the District where there is a greater or a lesser probability of there being a development project with IZ units. The results of this analysis are shown in Map 7, on the next page.

The lighter purple areas are those zone districts where OP is recommending that IZ be applied, but where COG forecasts do not project growth of more than 100 residential units over the next ten years. Given the low number of new units projected for these areas, it is unlikely there will be a significant number of projects triggering the IZ bonuses. Therefore, the lighter purple areas have a lower probability of being affected by IZ. The darker purple areas are the overlap of those zone districts where OP is recommending that IZ be applied and where COG is forecasting a growth rate of 100 or more units over the next twenty years. These areas have a higher probability of development projects triggering the IZ bonuses.

There are also three major federal tracts that are currently unzoned: Walter Reed Hospital, The Armed Forces Retirement Home, and Poplar Point. If jurisdiction of these sites becomes transferred to the District, the planning and zoning efforts will take IZ requirements into account.



Map 7. Probability of IZ Development.

B. SCHOOLS

Assuming approximately 310 bonus units per year, OP estimates the potential number of school age children housed by the bonus density could be approximately 68 children per year District wide. This is based on national research sponsored by the Urban Land Institute (ULI)⁵, and confirmed by local research by the Urban Institute (UI) as part of their annual *Housing in the Nation's Capital*, sponsored by FannieMae.

The ULI research found the number of children per household varies dramatically by building type, with roughly 64 children per 100 single-family housing units and 20 children per 100 multi-family housing units. 90% of the District's future capacity is in multi-family development, The next *Housing in the Nation's Capital* report will document the link between housing and school age students in the District of Columbia.

The Urban Institute's preliminary numbers are provided in Table 6 below.

Housing Type	Children per 100 Housing Units
Single Family	40
Multi-Family	20
Multi-Family Rental	24
Multi-Family Owner-Occupied	7

Table 6. Estimate of Children per Housing Unit in DC

The table shows that the number of school aged children per hundred units of single family housing is much lower than the national rate, while the rate of multi-family units is comparable. In fact, UI found that the rate of children per 100 units is even lower for recent single family sales. UI found the rate to be only 30 children per 100 recent single family sales.

Data gathered for the 2006 Mayor's Draft of the Comprehensive Plan indicates that the District's shrinking school age population has driven a significant decrease in District public schools' enrollment.

There were 168 traditional public schools in the District as of 2003: 108 elementary, 21 middle and junior highs, 22 high schools, 14 citywide special education schools, and 3 alternative schools, according to the District of Columbia Public Schools (DCPS) Summary of Membership Report. This count includes "school within schools," that is, separate schools established within the same physical building. As of the 2003 – 04 school year, 64,248 children were enrolled, a reduction of 2,444 children or a 4 percent decrease from the previous year and a decline of 23 percent since school year 1995 – 96⁶. Enrollment trends are shown in Table 7.

⁵ Haughey, Richard et al, *Higher Density Development: Myth and Fact*. Urban Land Institute (ULI). 2005

⁶ Office of the Chief Financial Officer, District of Columbia (1997 – 2002); State Education Office, District of Columbia (2003 – 2005).

	<u>School Year Ending in...</u>									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
DC Public Schools	79,802	78,648	77,111	71,889	70,677	68,978	68,015	66,692	64,248	61,710
Charter Schools	0	0	0	3,594	6,980	9,555	10,651	11,600	13,575	15,163
Total	79,802	78,648	77,111	75,483	77,657	78,533	78,666	78,292	77,823	76,873

Table7: DCPS and DC Public Charter School Enrollment, 1996 – 2005

Source: Office of the Chief Financial Officer, District of Columbia (1997 – 2002),
State Education Office, District of Columbia (2003 – 2005)

While this reduction in DCPS enrollment is dramatic, public charter school enrollments have been increasing, making up some of this difference. There were 37 charter schools on 40 campuses in D.C. in 2003 – 04 according to the D.C. Public Charter School Association. The number of children enrolled in charter schools has increased every year since the first charter school was established in 1997, and stands at 15,163 for the most recently completed school year.

As Inclusionary Zoning is implemented OP will continue working with the District of Columbia Public Schools to assess the ability of schools serving the IZ overlay areas to absorb enrollment increases based on different population projections. There are presently some schools in projected growth areas that are currently at capacity, although this is often due to well-regarded schools' attracting enrollment from beyond the schools' defined boundary areas. The Comprehensive Plan advocates maintaining public ownership of surplus schools to accommodate potential future school-age population growth, and to permit more students to attend schools within their own boundary areas.

C. INFRASTRUCTURE

1. Transportation

The Comprehensive Plan undertook an extensive analysis of the ability of the District's transportation infrastructure to absorb the projected population, housing and employment growth through 2025. It evaluated the plans and projections for District and regional population and employment growth and the distribution of that growth. It also considered District, regional and Washington Metropolitan Area Transit Authority (WMATA) transportation plans. The technical report that informed the Comprehensive Plan determined that the key to minimizing transportation congestion is to reduce the distance between where people live and where they work as much as possible. Because only one-quarter of the jobs in the District are filled by District residents, the bulk of the travel on mass transit and the District's streets is due to suburban workers commuting into the City. 90% of District neighborhoods have easy access to transit. 49% of District residents who also work in the District commute via transit, walking, or other non-automobile modes.

Increasing the opportunities for those who work in the District to also live in the District, and vice versa, would decrease pressures on congestion and commuting times. Accordingly, the draft Comprehensive Plan seeks to better distribute housing and employment opportunities both throughout the District and the region. Increasing the production of affordable housing in the City is part of this strategy. It is possible for the legislation and regulations implementing the IZ program to help reduce the physical separation between place of residence and place of employment by giving IZ program-priority to households that both live and work in the District. This would reduce transportation congestion pressures from IZ bonus units, but would not, by itself, stabilize traffic congestion increases related to overall growth.

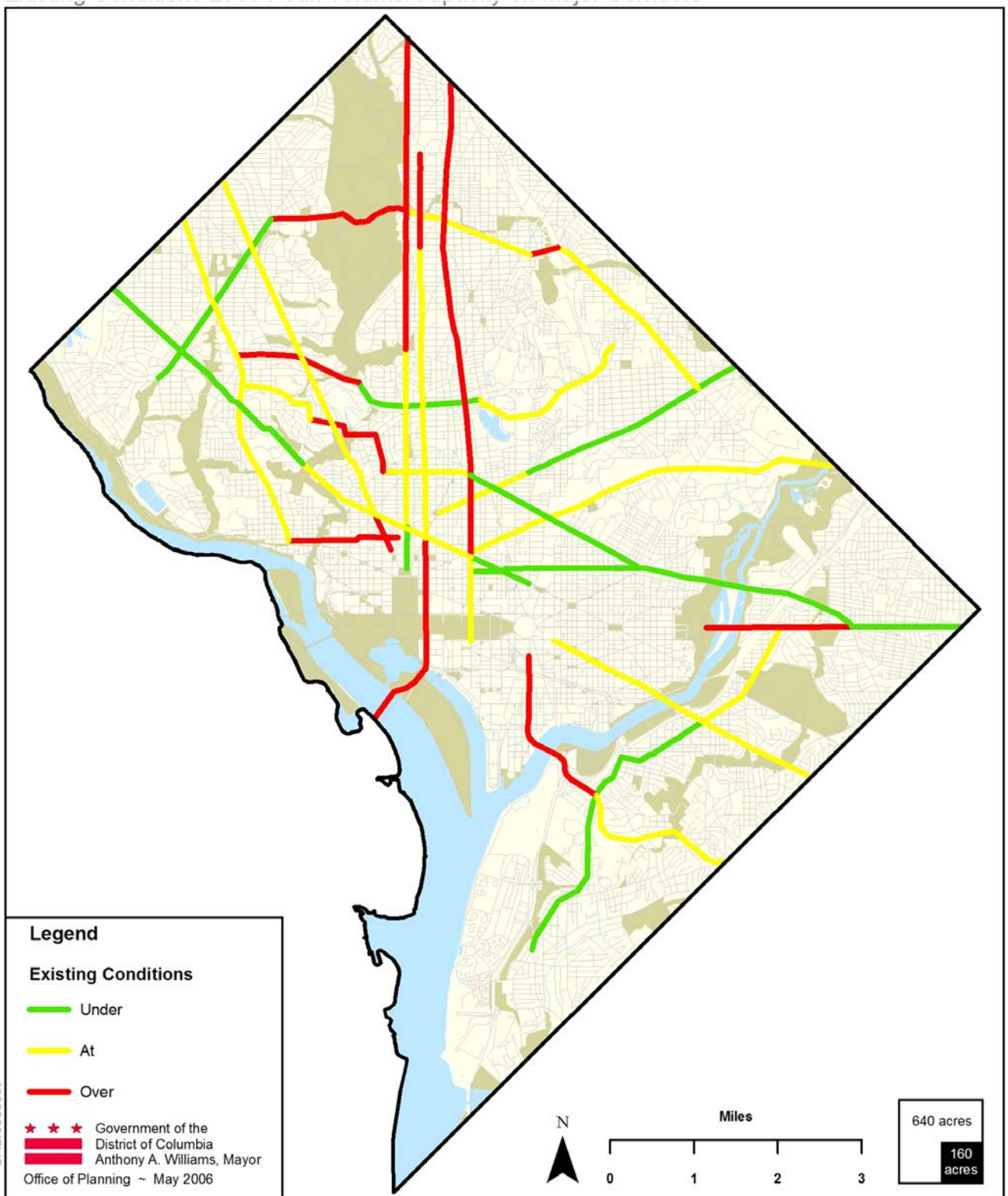
The technical report assessed the long range plans of DDOT and WMATA and concluded:

- First, the proposed transportation systems management (TSM), transportation demand management (TDM) measures and land-use initiatives favoring transit oriented development will ensure that the future congestion will be similar to the current conditions; increases in travel, due to increased population and employment, will not cause a significant worsening of traffic operations or a marked increase in overall delay.
- Second, the average vehicle ridership (AVR)⁷ shows a projected average increase to the year 2025. This increase reflects a greater efficiency of the transportation system and a capacity to support the projected population, employment, and associated increased number of trips towards the 20 year timeframe.

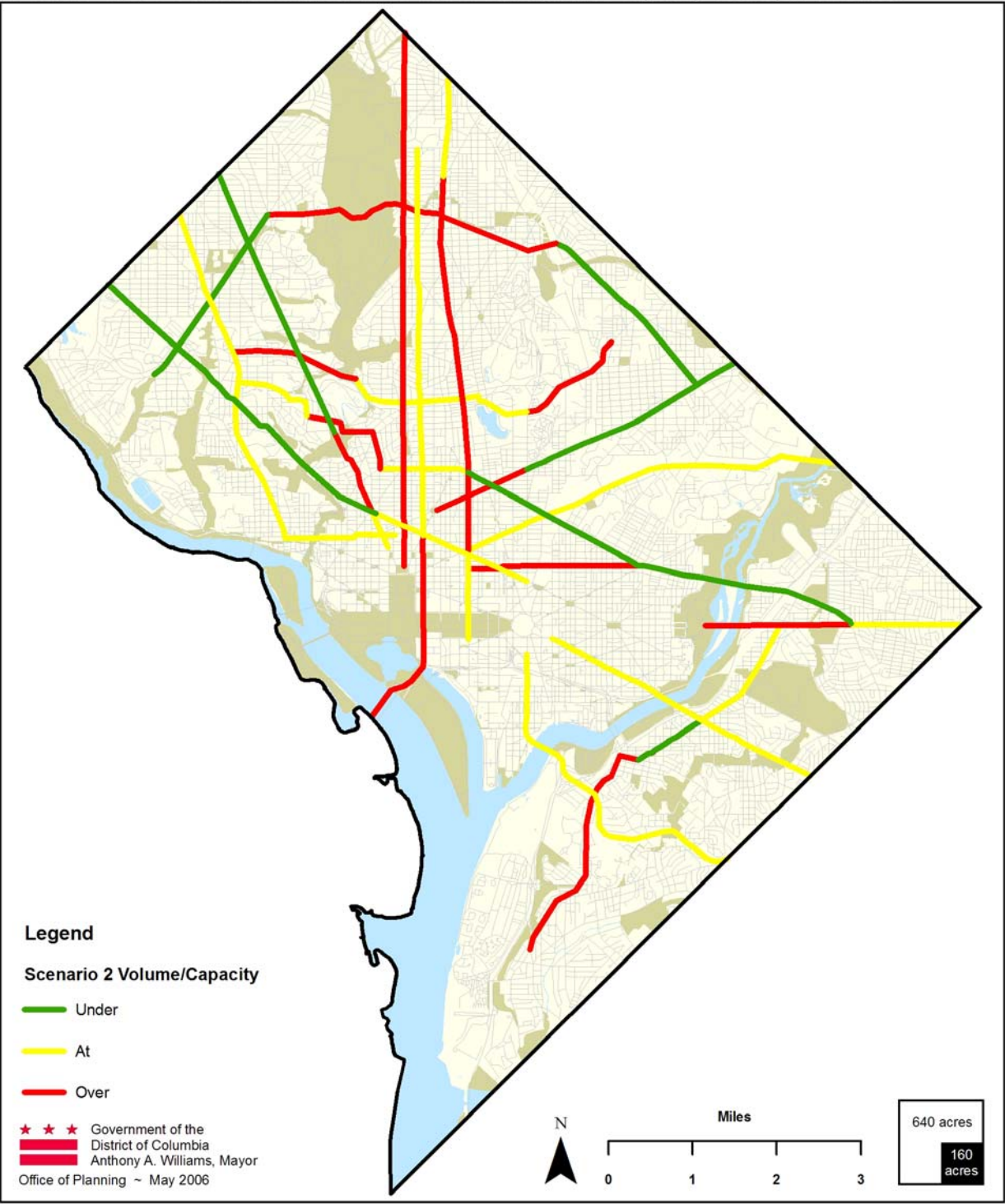
These studies estimated a total of 2500 – 3000 new residential units per year. IZ represents only a small portion of the District's projected growth. If, with appropriate TSM and TDM measures, the Districts transportation and transit systems can accommodate housing development over ten times greater than what IZ would generate, the systems should accommodate the overall traffic and transit impacts of the approximately 310 annually generated IZ-related housing units.

Maps 8 and 9 illustrate: current levels of congestion on major district transportation corridors; and, projected levels of congestion on these corridors in 2025 if most, but not all, of the transportation systems enhancement and demand management measures planned by DDOT and WMATA are implemented. The levels of congestion take into account all forms of transportation in a corridor (i.e., private vehicles, transit, commuter rail, walking, bicycle riding), not just vehicles on a roadway.

⁷ Average vehicle ridership (AVR) is one measure of a transportation corridor's efficiency. It is obtained by taking the total number of trips people make by the Metrorail, Metrobus, private buses and vans, carpools, automobile and bicycles, and dividing the by the number of private vehicle trips. The resulting number shows how many people that private vehicle would be carrying if all the people traveling that corridor were actually riding in private vehicles. It is not a measure of the average number of people that are riding in each private car, truck or SUV. A higher AVR indicates that more people are either carpooling and/or using public transit, walking or bicycle riding to work. A lower number means more people are driving one person to a car. Usually, the denser the population and the better the transit, the higher the AVR.



Map 8. Existing Levels of Congestion, by District Corridor Segment.



Map 9. Future Levels of Congestion by District Corridor Segment

With the moderate implementation of TSM and TDM measures, corridor congestion levels remain at approximately current levels for all but the eastern portions of the city, where growth is expected to be greatest. Despite the overall ability of the District's transportation systems to accommodate future growth, there will undoubtedly be localized flow or queuing problems on certain road or rail corridors, or at certain intersections or subway stations.

From a regional perspective, IZ expands the opportunities for households to live closer to where they work. Because District residents tend to use transit rather than private vehicles to commute, IZ may help to reduce the rate of growth of roadway congestion. In OP showed in the mapping set down report that almost the entire city is within a five minute walk distance to bus routes in the District.⁸

2. Parking

Public testimony stated concerns about the potential impact of IZ on the availability of neighborhood parking.

With the projected growth in employment and population it will become increasingly necessary to better manage the use of the District's limited street capacity. In the opinion of the District Department of Transportation, it is not possible for the District's streets to accommodate one or more "free" parking spaces for each housing unit in the City, let alone permitting such spaces to be used at little to no cost by those who commute into the District.

While the District's zoning regulations do not usually require the provision of one or more off-street parking spaces for each residential unit, lenders' requirements and developers' market perceptions have caused builders to provide close to one parking space per unit in recent years (0.9 space:1 unit). However, in some areas the number has been as large as 3 spaces per unit. However, rates of vehicle ownership vary by income. District-wide, almost 30% of households do not own a car.

The IZ proposal originally introduced by the Campaign for Mandatory Inclusionary Zoning (CMIZ) proposed that the Zoning Regulations not require the provision of any off-street parking for affordable units. Concern was raised about this during public testimony. The final IZ regulations did not exempt inclusionary units from the calculation of parking requirements.

3. Water and Sewer Systems

IZ testimony included some concern about the ability of the water and sewer systems to serve the population increase that would accompany any Inclusionary Zoning bonus density.

The Washington Area Sewer Authority (WASA) supplies water and sewer services to the District and portions of the suburban counties. The most recent detailed WASA potable water demand projections are contained in its 2002 Water System Facilities Plan. The District's draft Comprehensive Plan also

⁸ Inclusionary Zoning Mapping Set Down Report, June 30, 2006, Figure 5. page 14

analyzed water demand, based on growth projections that assumed the institution of Inclusionary Zoning. Both the WASA and the Comprehensive Plan projections indicate the ability of water supply to accommodate growth well past 2025.

Approximately one-third of the District is served by sewers that combine wastewater and stormwater collection into one pipe. The other two-thirds of the city has separate wastewater and stormwater sewers, a more recent and environmentally sound collection system. The “combined” sewers can overflow during periods of heavy rain, thereby permitting untreated sewage to flow into the District’s creeks and rivers, and, under exceptional circumstances, can flood some low-lying portions of the city. WASA has adopted a 20 year plan to reduce such overflows by 95%. The plan includes projected population growth that assumes Inclusionary Zoning. Improvements will include pumping station and interceptor sewer upgrades, the installation of approximately \$1.3 billion of new wastewater treatment equipment, the replacement of undersized, aged, or deteriorated sewers, and the installation of sewers to serve areas of new development or increased density.

D. GENERAL NEIGHBORHOOD ANALYSIS

As described in Section III.A., OP identified vacant land that could accommodate projects of 10 or more units, shown –based on market interest – the projected intensity of residential development over the next 20 years, and the likelihood of IZ’s affecting a neighborhood. The results of the analysis were applied to the potential impacts including: further concentration of low income households, neighborhood form, infrastructure etc. The following sections discuss these potential impacts:

1. Potential Increased Concentration of Low Income Households

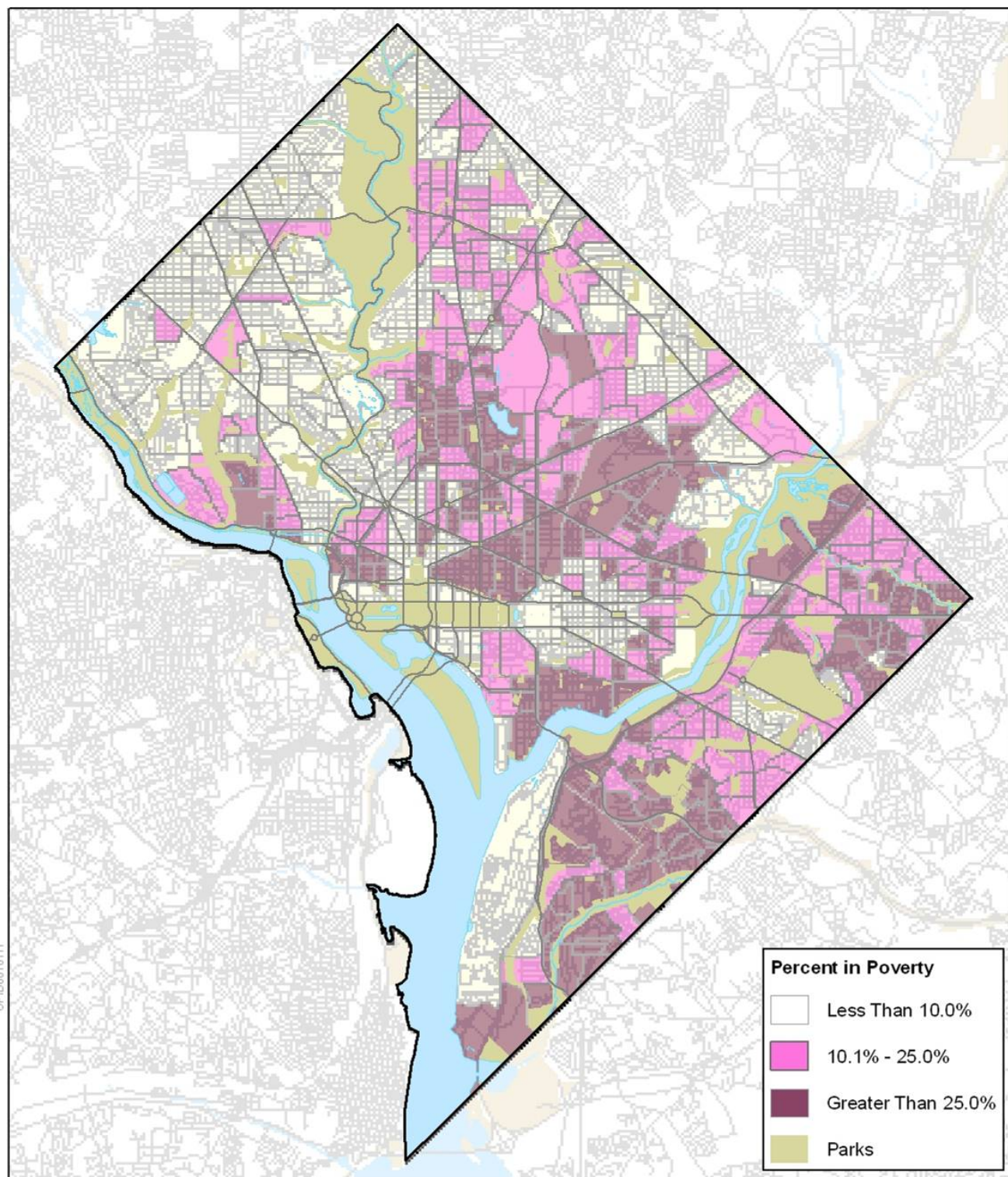
The Zoning Commission asked OP to look at whether or not IZ should be applied to neighborhoods that already have concentrations of low income households. This was a concern echoed by a resident at one of OP’s IZ briefings.

OP recommends that areas of existing concentrations of low income households should have IZ requirements. This conclusion is based on the following analysis:

- The potential for IZ to further concentrate low income households is limited. The IZ-targeted incomes currently range from approximately \$32,000 for a single person up to \$72,000 for a family of four – higher than the average incomes in the lower income areas of the city. IZ would preserve affordable units if neighborhoods experience changes similar to Columbia Heights, Shaw, and H Street, NE -- relatively low income neighborhoods that recently seen tremendous influxes of higher income households and a resulting loss of affordable units.
- The percent of affordable units required in a development ranges from 8% to 12.5%, depending on the type of construction and zone district. The remaining units would be market rate. The percent of affordable units is relatively small compared to the whole project and not likely to add significantly to an existing concentration.

- OP defined a low income neighborhood as where the poverty rate exceeds 25%. See map 10 on page 33. The map covers a large part of the city and include parts of the city where OP expects a majority of growth capacity to occur. Exempting low-income areas via this definition from IZ would therefore drastically reduce IZ's productive capacity.

However, the Commission could consider the option of not granting financially subsidized affordable housing projects access to the bonus density provided by Inclusionary Zoning. OP's analysis found that traditional financial subsidy programs tend to further concentrate low-income households into a few neighborhoods because, to keep costs down, sites for such developments are located where land is inexpensive. These financially subsidized projects often have deep levels of affordability, and are frequently close to 100% affordable. The Zoning Commission could decide not to grant these types of projects the bonus density available through IZ. In essence projects could receive either IZ bonus density or financial subsidies, but not both. This would reduce the ability of financially subsidized projects to further add to the existing concentrations of low income household.



Map 10. Poverty Levels by Census Block Groups, US Census (see Appendix Map X for 8.5x11).

2. Neighborhood Form and Zoning

To compare the recommended IZ-related zoning envelope changes to building form permitted by-right under existing zoning, OP undertook a series of architectural studies for each zoning category in which IZ would change the zoning envelope. Studies included plan, elevation and perspective simulations, based on recent projects, to show how IZ could have changed the project's form. The illustrations depict the scale, massing and shape of the project, and provide enough detail to help give the project an architectural context. The following sections show the results of the interaction between IZ and neighborhood form. They are grouped by zone districts into lower, medium and higher density categories.

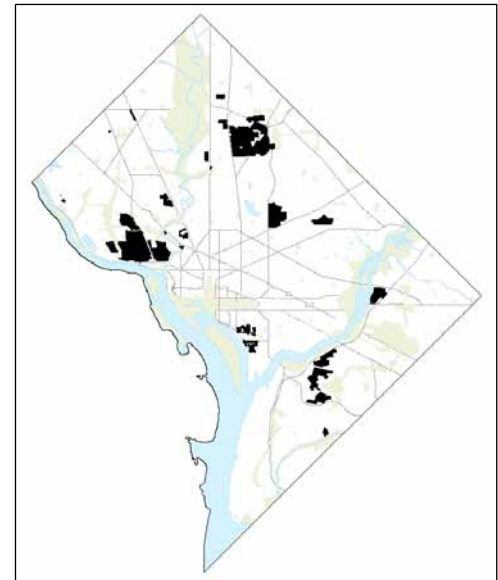
OP also specifically identified where IZ zones receiving height flexibility of 10 feet or more are adjacent to single family home districts R-1 through R-4. These three locations are: the CR zones adjacent to R-4 in the U Street neighborhood; the W-1 zone adjacent to R-3 and R-4 in Southwest⁹; and, the CG/W-2 & CG/C-2-C zones adjacent to the R-4 districts near the Capitol Gateway Overlay.

⁹ *The W-1 area of Southwest is subject to the Southwest Waterfront Plan adopted by Council. The Plan envisions greater increases in height for the Southwest Waterfront than those suggested by IZ.*

a. Lower Density Neighborhood Forms (R-3, R-4, C-2-A, W-1)

Zone:	R-3
Height	40 feet (3 Stories Maximum)
Lot Occupancy	60%
Minimum Lot Width	20 feet
Minimum Lot Size	2,000 square feet

The R-3 zone permits a row house building type with one unit per house. It is considered moderate density and is mapped in several places across the District. Major R-3 neighborhoods include Georgetown, Southwest Waterfront, Brightwood, Historic Anacostia and River Terrace. It represents 4.1% of the District's zoned area.



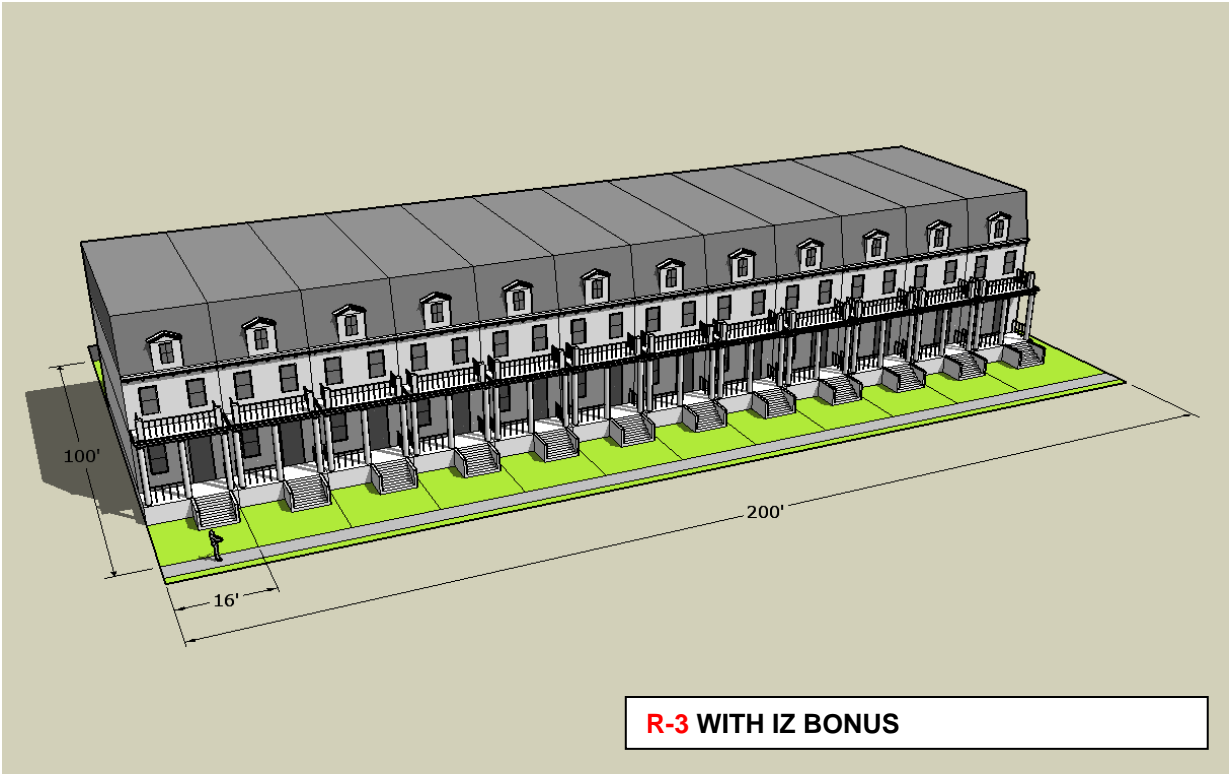
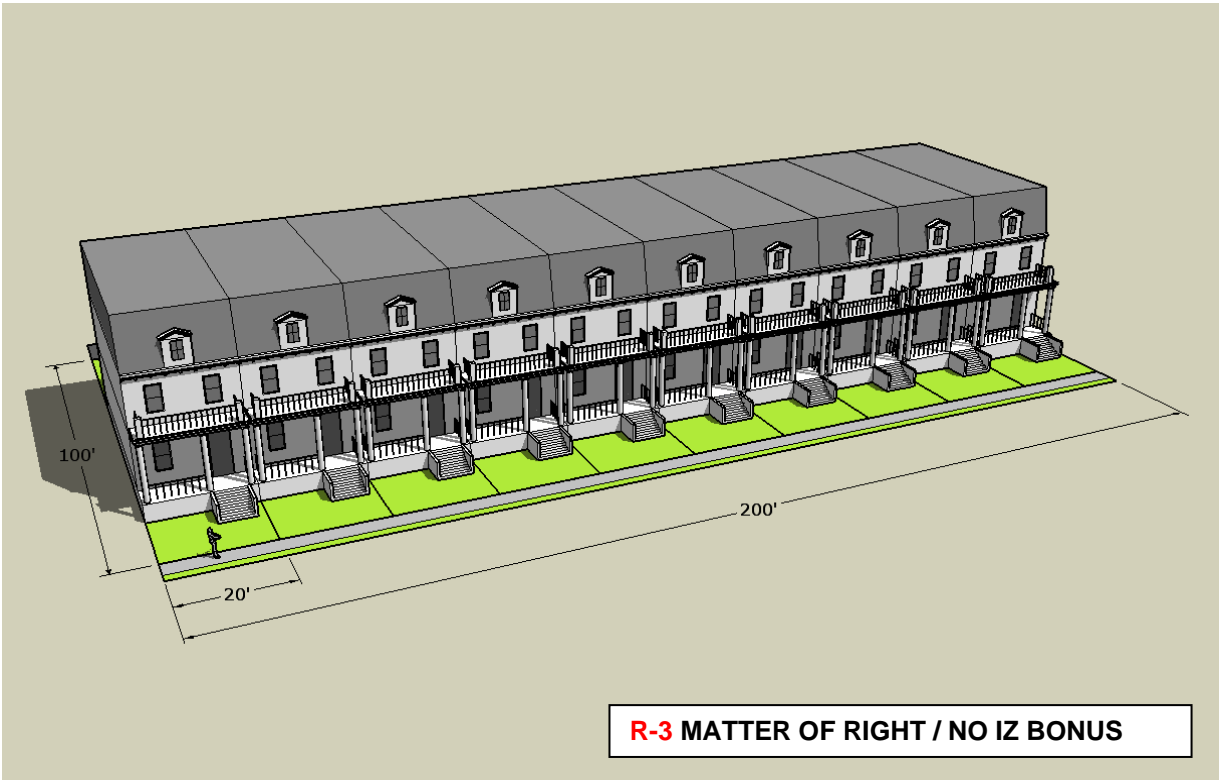
IZ –Trigger Points and Zoning Envelope Changes

Minimum Land Area	20,000 SF (10 lots assembled for new residential development)
IZ Minimum Lot Width	16 feet
IZ Minimum Lot Size	1,600 square feet (SF)

The architectural analysis on the next page demonstrates how use of the IZ bonus density is enabled by reducing the minimum lot size of each parcel. Narrowing the lots in R-3 to 16 feet permits 2 additional lots within the area needed for 10 matter-of-right lots. Many existing lots in neighborhoods mapped R-3, such as Georgetown and Brightwood Park, are very similar in size to what IZ would permit. However, the most prevalent lot sizes are larger than the IZ minimums.

In Georgetown there are two sites currently listed in the tax rolls as vacant: one is owned by Georgetown University and one is part of a large estate. The impact on neighborhood form would, therefore, be minimal.

R-3 Zone Area	Land Availability	Lot Sizes	Potential Impact to Neighborhood Form
Georgetown	2 Sites	Mixed Lot Sizes	Minor
Brightwood Park	0 Sites	Mixed Lot Sizes	None-Minimal
Southwest	0 Sites	Similar to IZ	None-Minimal
River Terrace	1 Site	Similar to IZ	Minor
Historic Anacostia	Several Sites	Larger Than IZ	Noticeable



Zone:	R-4
Height	40 feet (3 stories maximum)
Lot Occupancy	60%
Minimum Lot Width	18 feet
Minimum Lot Size	1,800 feet

R-4 comprises 9.0% of the City’s zoned land and is the most common zone that requires IZ changes to the zoning envelope. The zone contains a row-house building type and permits up to two units (“flats”) per row-house as a matter of right, and special exception conversion of existing buildings to apartments of 3 or more units if there is 900 square feet of land per unit. Neighborhoods mapped with R-4 include Mt. Pleasant, Columbia Heights, Georgia-Petworth, Shaw, Brookdale/Eckington, Capitol Hill, H Street, and Ivy City-Trinidad, and , in smaller concentrations, in many other parts of the city.

IZ Trigger Points and Envelope Changes

Minimum Land Area	9,000 SF (5 lots assembled for new “2-flat” development)
IZ Minimum Lot Width	15 feet
IZ Minimum Lot Size	1,500 square feet (SF)

A minimum project size of 9,000 square feet of land for a 10-flat project and 18,000 square feet for a project of 10 single family rowhouses would be needed to trigger IZ. However, developers might seek to avoid IZ requirements by developing one unit per row house, or by increasing lot size to reduce the number of lots created.

R-3	Land Availability	Lot Sizes	Impact to Neighborhood Form
Capital Hill	3 Sites	Similar	Minimal
Mt Pleasant	1 Sites	Mixed, but Larger than IZ	Minimal
Georgia Petworth	2 Sites	Mixed, but Larger than IZ	Moderate
Shaw	Several Sites	Mixed Lot Sizes	Minimal
Bloomingdale/ Eckington	Several Sites	Mixed Lot Sizes	Minimal
H Street	Several Sites	Similar to IZ	Minimal
Ivy City Trinidad	Several Sites	Mixed, but Larger than IZ	Moderate
Southwest	Several Sites	Similar to IZ	Minimal

The current lot sizes in many of the neighborhoods where R-4 is mapped are similar to those that IZ would permit. While there are larger lot sizes in these neighborhoods, the prevalence of lots similar to IZ would suggest the impact to neighborhood form would generally be minimal, and the building form would not change. There are however several neighborhoods where the dominant form is the current R-4 minimums or larger. In these neighborhoods the IZ lots would be more noticeable. Table X below summarize OP’s conclusions by neighborhood.

The architectural analysis below shows how the 20% bonus density is enabled by reducing the sizes of the lots on a parcel.

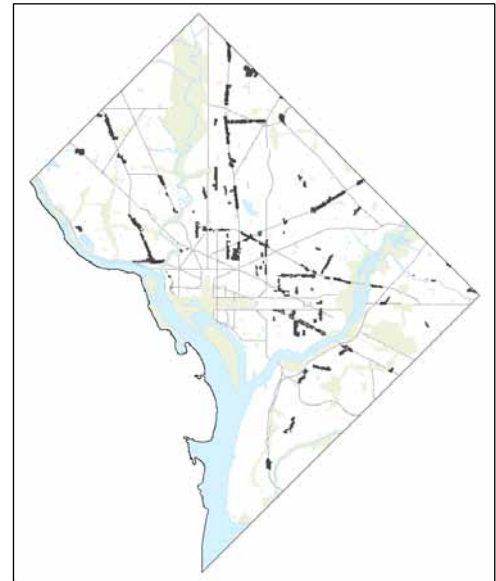


Zone:	C-2-A
FAR	2.5
Height	50 feet
Minimum Lot Size Width	Not Regulated
Lot Occupancy	60%

C-2-A is the District's most common commercial/mixed-use zone comprising 2.4% of zoned land. It is mapped throughout the District to provide neighborhood-serving centers with retail, commercial and office uses, and with residential use permitted throughout. It is consistent with both the Low-Density and Moderate-Density Comprehensive Plan designations.

IZ Proposed Envelope

IZ FAR	3.0
IZ Height	50 feet
IZ Lot Occupancy	75%



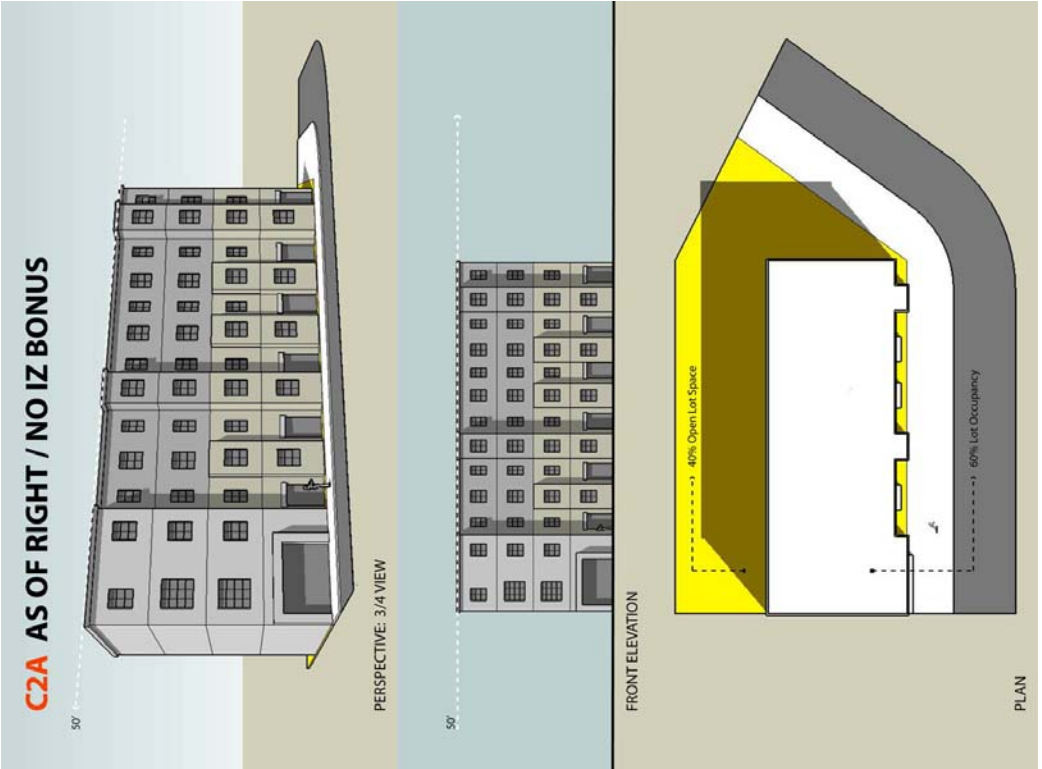
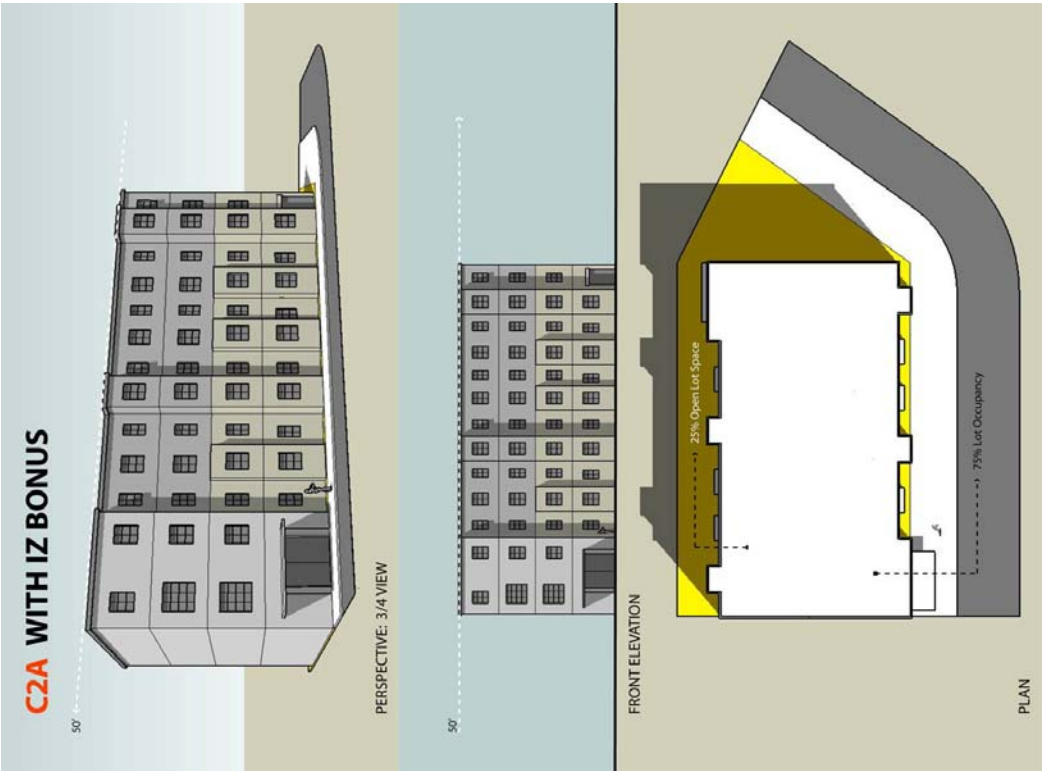
The extensive mapping of C-2-A combined with the availability of developable land could have meant that changes to the C-2-A would have significant impacts on neighborhood form. OP recommended change to lot occupancy instead of height, since increases in height are usually perceived as more objectionable than increases in lot occupancy. To accommodate the bonus density, the Zoning Commission expanded maximum lot occupancy from 60% to 75% for IZ-projects. The Illustrations on the next page shows a sample C-2-A project (coincidentally located in a historic district) under the current zoning regulations. They show the expansion of the building from 60% to 75% lot coverage. The IZ-expanded building results in:

- No change in height in relation to adjacent buildings;
- No change in the building's relationship to the street;
- No reduction in size of the rear or side yards currently required by the Zoning Regulations.

Community Comment and OP Response:

In public meetings, some ANC commissioners were concerned the lot occupancy changes would push the apartment buildings closer to adjacent single-family homes. While that may be the case, the minimum rear yard setback requirements do not change, and would keep an IZ multi-family building the same minimum distance from the rear or side property line as a current matter-of-right project.

Some other ANC commissioners stated they would prefer that an IZ project get some additional height, rather than reducing available open space. In OP's opinion, the change to lot occupancy has a minimal affect on neighborhood form. However, if the Zoning Commission wishes, OP could investigate developing an option permitting a developer to use a combination and lot occupancy and/or height increases in order to use the bonus density more flexibly, as long as it does not increase height, lot occupancy or cumulative density beyond the maximum OP is now proposing.

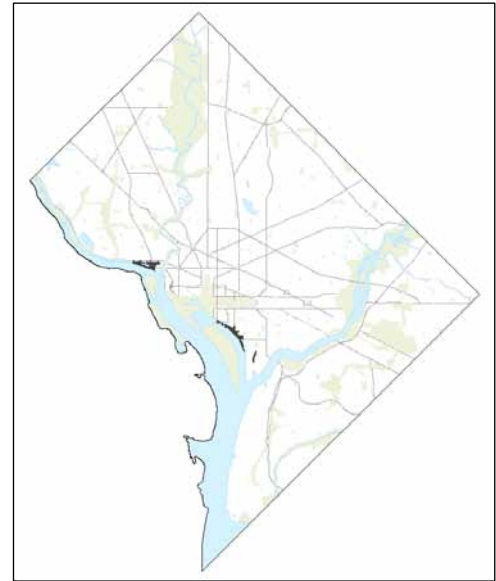


Zone: W-1
FAR 2.5
Height 40
Lot Occupancy 80%

The W-1 is considered low to moderate density development and in general, the W zones were designed to the waterfront's transition from light industrial to office uses. The W-1 is located in only two locations in the District, the Georgetown and Southwest waterfronts. 0.2% of the District is zoned W-1. With and FAR limit of 2.5, it is similar to the C-2-A zone, but differs from C-2-A in that height is limited to only 40 feet, but lot occupancy may go as high as 80%.

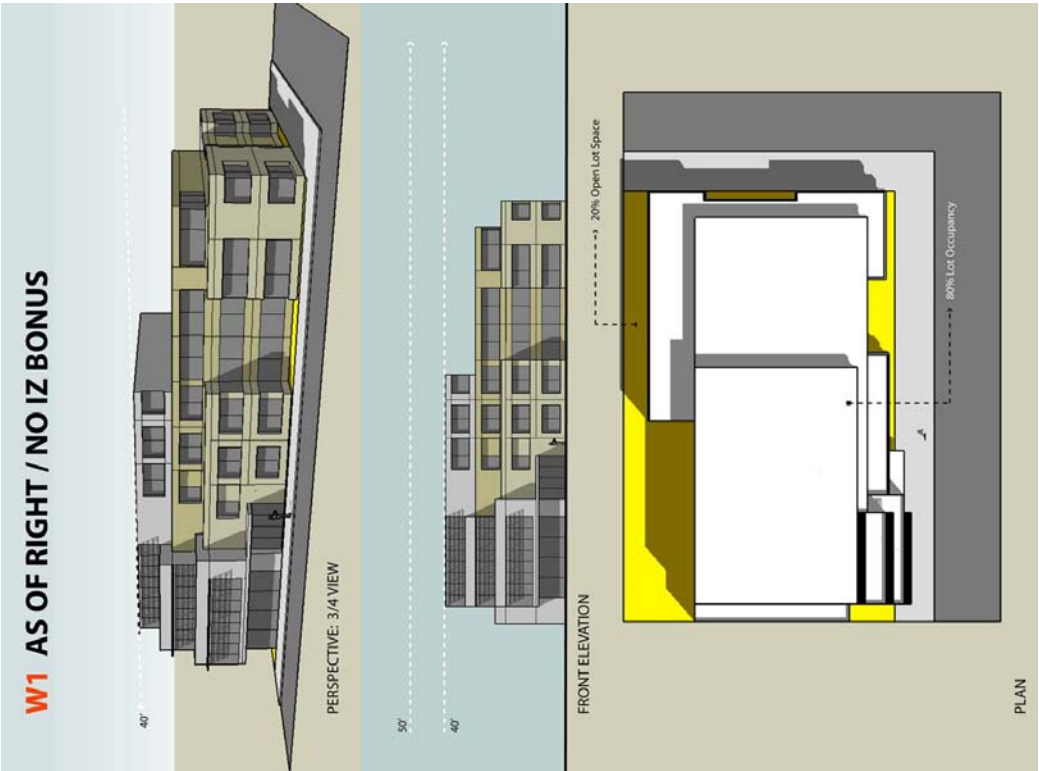
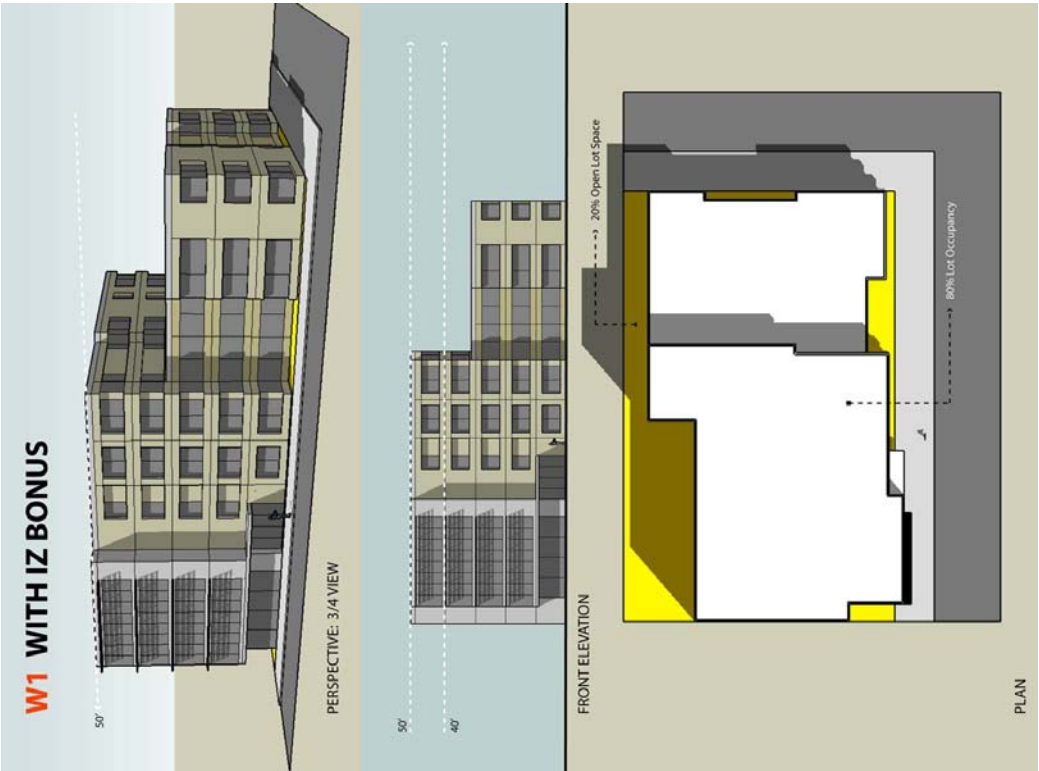
IZ Envelope Changes

IZ FAR 3.0
IZ Height 50 feet
IZ Lot Occupancy 80%



With the existing regulations permitting up to 80% lot occupancy, additional height would be preferable to additional lot occupancy in order to achieve the IZ bonus density. The architectural analysis demonstrates the difference in form caused by the increased height. Given the height of buildings adjacent to the Whitehurst Freeway in Georgetown, OP believes the impact on neighborhood form would be moderate.

The W-1 zone in the Southwest quadrant is guided by the Southwest Waterfront Plan adopted by Council. This plan envisions a greater height change than suggested by OP for IZ. The land is also controlled by the National Capital Revitalization Corporation (NCRC), with pending transfer to the Anacostia Waterfront Corporation (AWC), both of which organizations require deeper levels of affordability than the IZ program. For these reasons OP concluded that the impact of IZ on general neighborhood form in the W-1 zones is minimal.



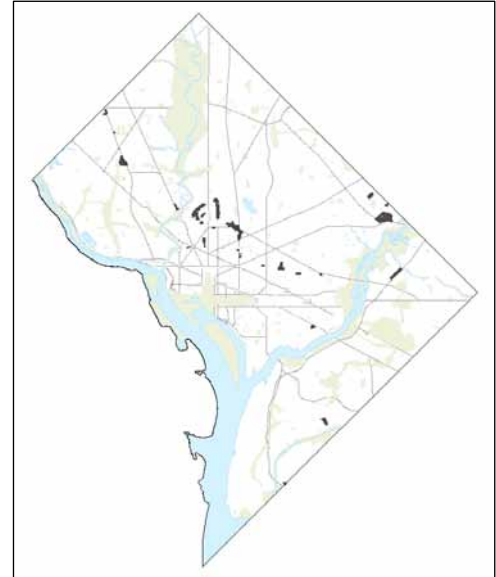
b. Medium Density Neighborhood Forms

Zone: C-2-B
FAR 3.5
Height 65 feet
Lot Occupancy 80%

C-2-B is mapped in fewer neighborhoods than C-2-A and equals approximately 0.5% of the District. C-2-B corresponds to both moderate and medium density commercial areas ranging from small business districts with immediate neighborhood draw to commercial districts with citywide destination appeal. Examples include Tenleytown, Adams Morgan, U Street & Florida, H Street, and Benning Road.

IZ Envelope Changes

Minimum Lot Size: N/A
IZ FAR 4.8
IZ Height 70 feet
IZ Lot Occupancy 80%

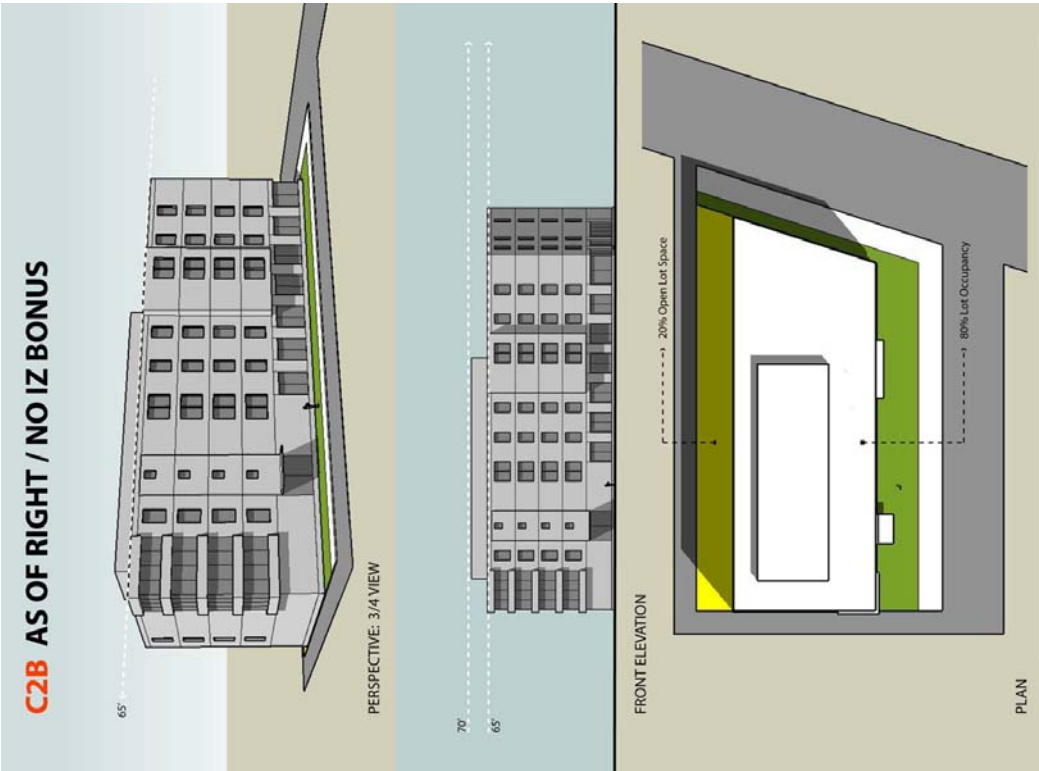
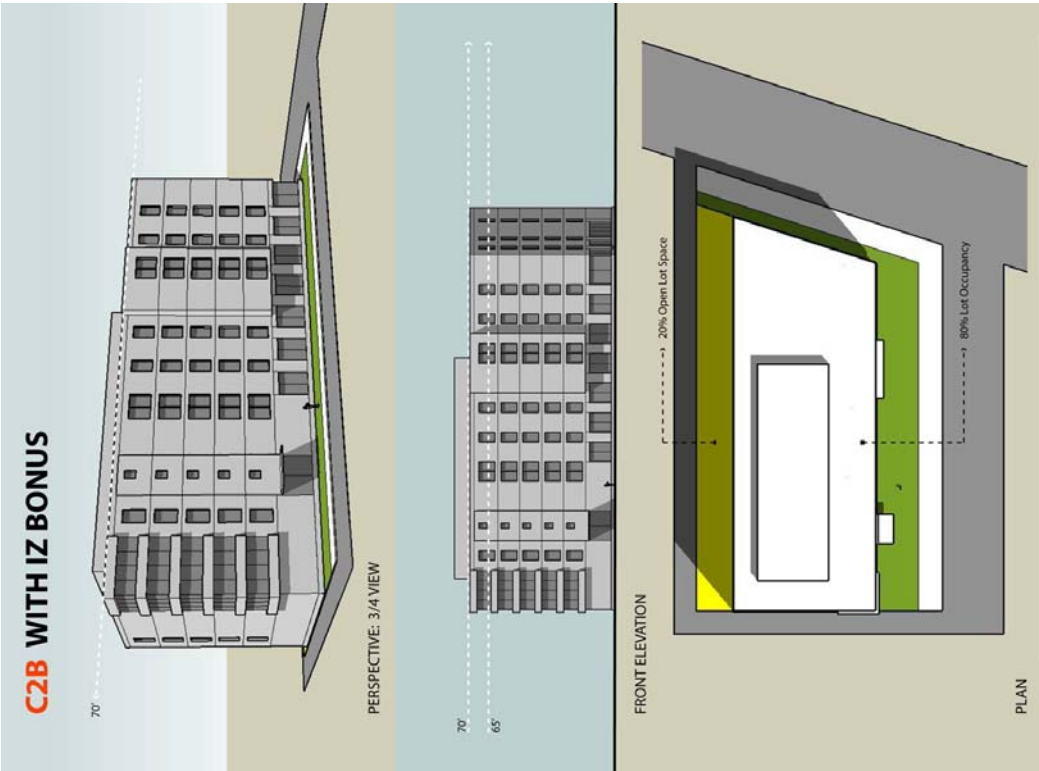


The maximum permitted lot occupancy in C-2-B is currently 80%. Changing lot occupancy was therefore considered detrimental to light and air requirements (i.e. reasonable residential building layout). Instead, in Order No. 04-33, the Commission added five feet to the maximum permitted height in order to accommodate the IZ bonus density. The added five feet permits a ground floor of 15' (suitable for quality retail) and five floors of residential use above.

The drawings on the next page demonstrate how the five feet can accommodate an additional floor. The site is separated by an alley from adjacent row houses. This is a common neighborhood form as many zoning boundaries follow either streets, alleys or the rear property line. OP concluded that this affect on neighborhood form would generally be minor.

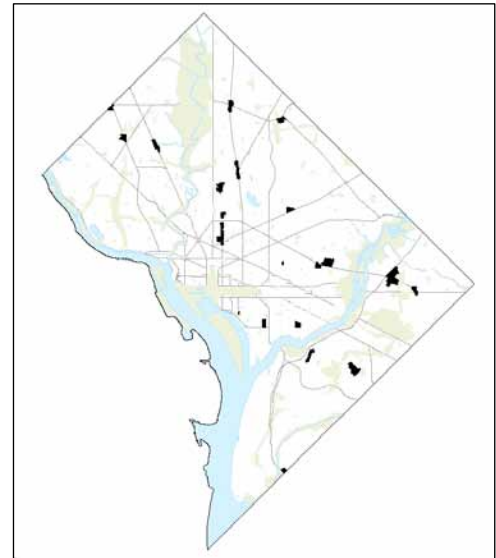
Community Comment:

At IZ briefings the five foot height increase was largely perceived as acceptable; however some attendees expressed general concern about incremental zoning envelope increases proposed for several zone districts



Zone: C-3-A
FAR 4.0
Height 65 feet
Lot Occupancy 75%

C-3-A is considered a moderate to medium density land use-designation. Retail, office and service businesses have been the predominant uses. C-3-A is mapped in many neighborhoods across the District in concentrated nodes to provide focus destinations. It represents 0.9% of zoned land. However, based on analysis done for the 2006 Comprehensive Plan, it has the second highest percentage of future development capacity. At 10.1% of the city's potential, its future capacity is second only to the C-M-1 zone, which does not permit residential uses. In recent years, considerable mixed-use residential development has been built in the C-3-A zones, including Tenleytown, Columbia Heights, and 14th Street.



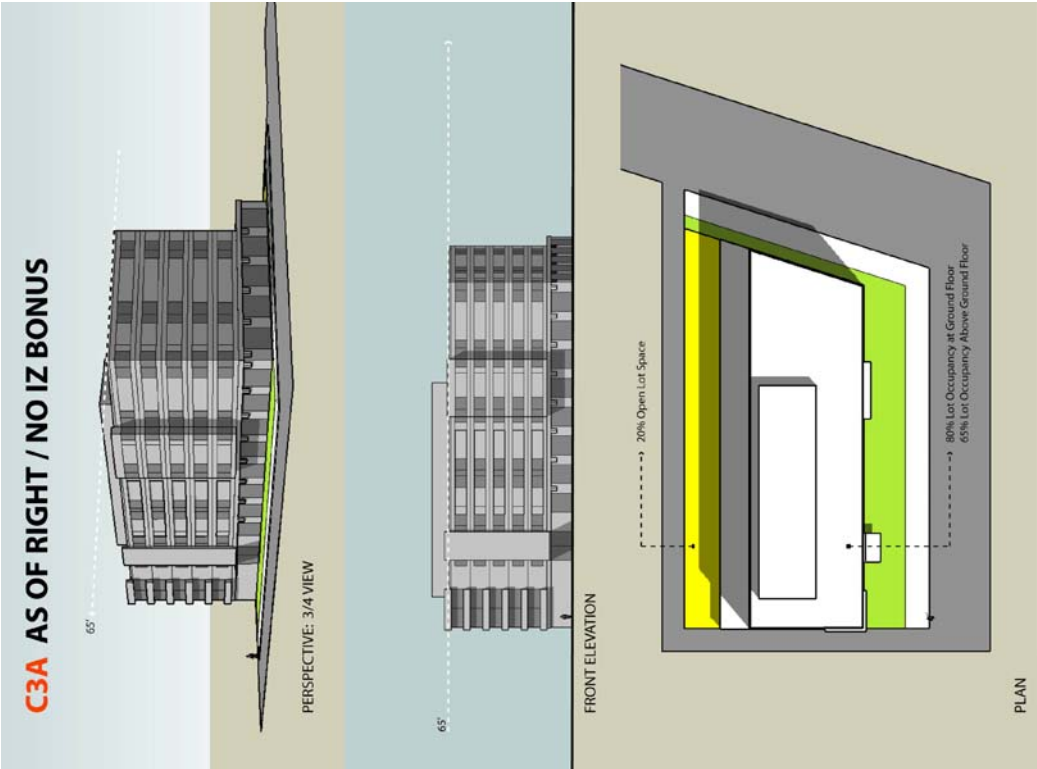
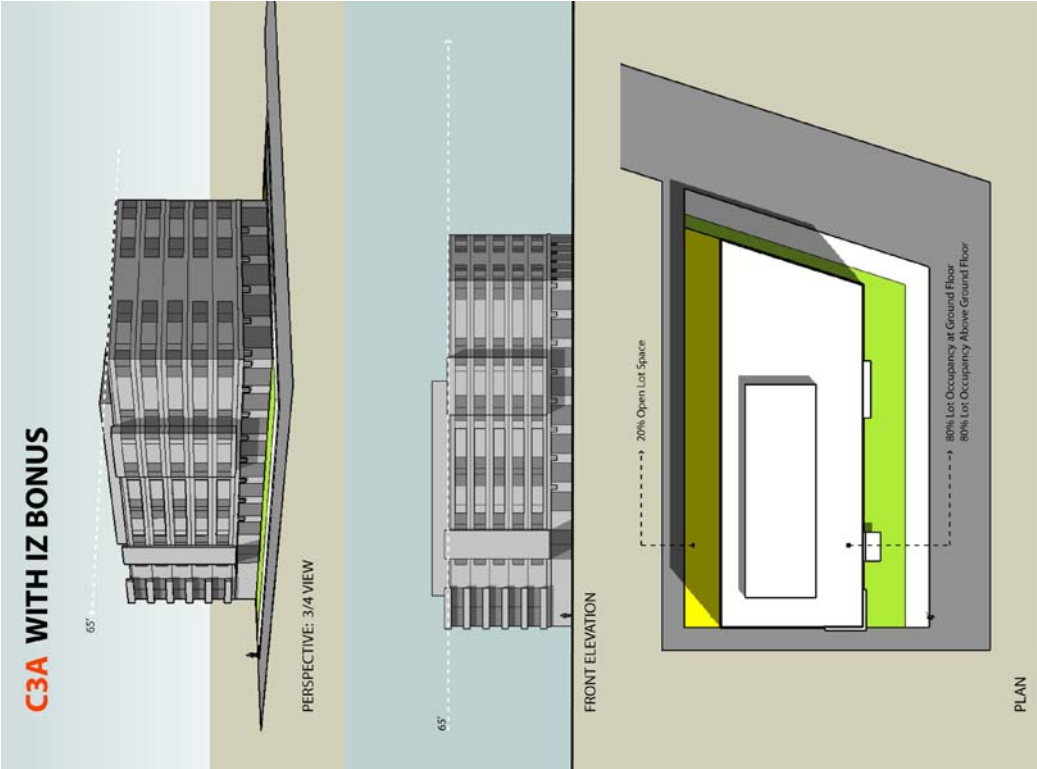
IZ Envelope Changes

IZ FAR 4.8
IZ Height 70 feet
IZ Lot Occupancy 80%

Although C-3-A zoned land may experience significant growth due to the extent and future development capacity of C-3-A zoned land, the growth that could be attributable to the additional 5 feet of height and 5% of lot occupancy needed to accommodate the IZ bonuses density would be minimal to moderate.

The architectural illustrations on the following page suggest this impact on neighborhood form would be minimal.

(OP notes that in the Uptown Arts Overlay the C-3-A is granted 10 feet in order to use the 13% bonus (0.5 FAR). The height bonus permits greater variety of form than does increasing the lot occupancy).

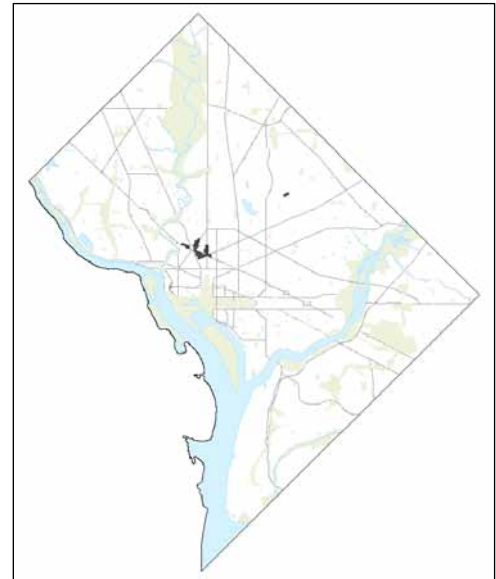


Zones:	SP-1
FAR	4.0
Height	65
Lot Occupancy	80%

SP-1 is considered a medium density zone. The SP zones were designed to act as buffers between higher density downtown retail and office uses and the less dense residential neighborhoods adjacent to downtown. SP-1 is mapped primarily in a concentrated area between Dupont Circle and 16th Street.

IZ Envelope Changes

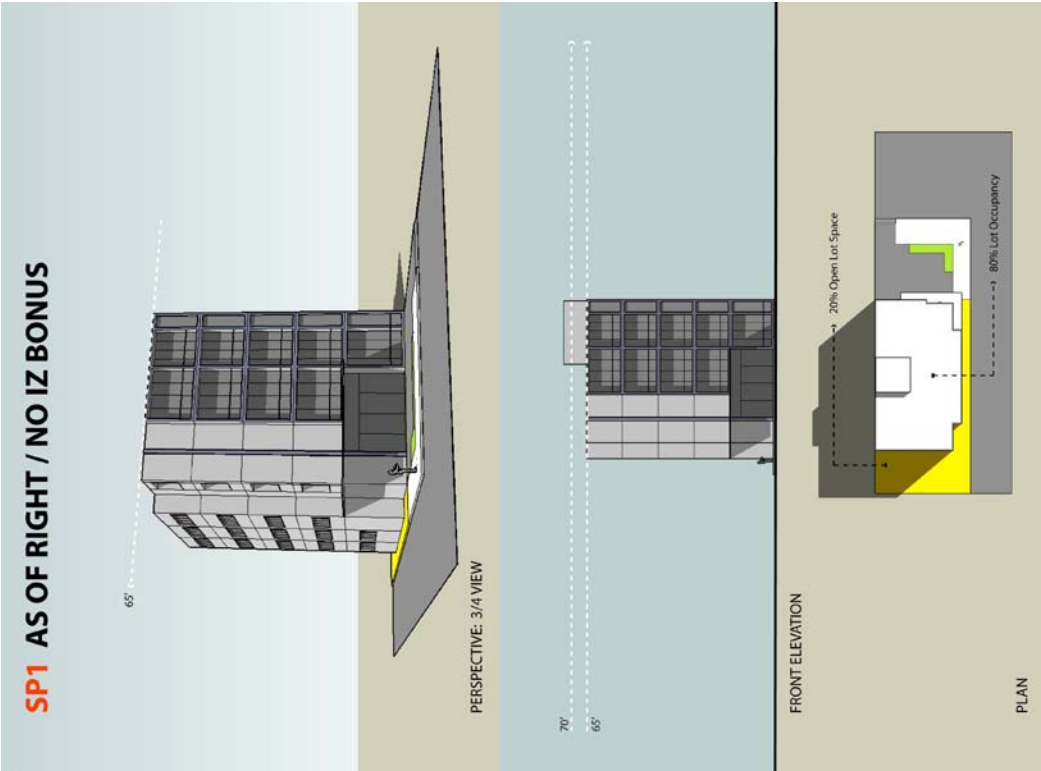
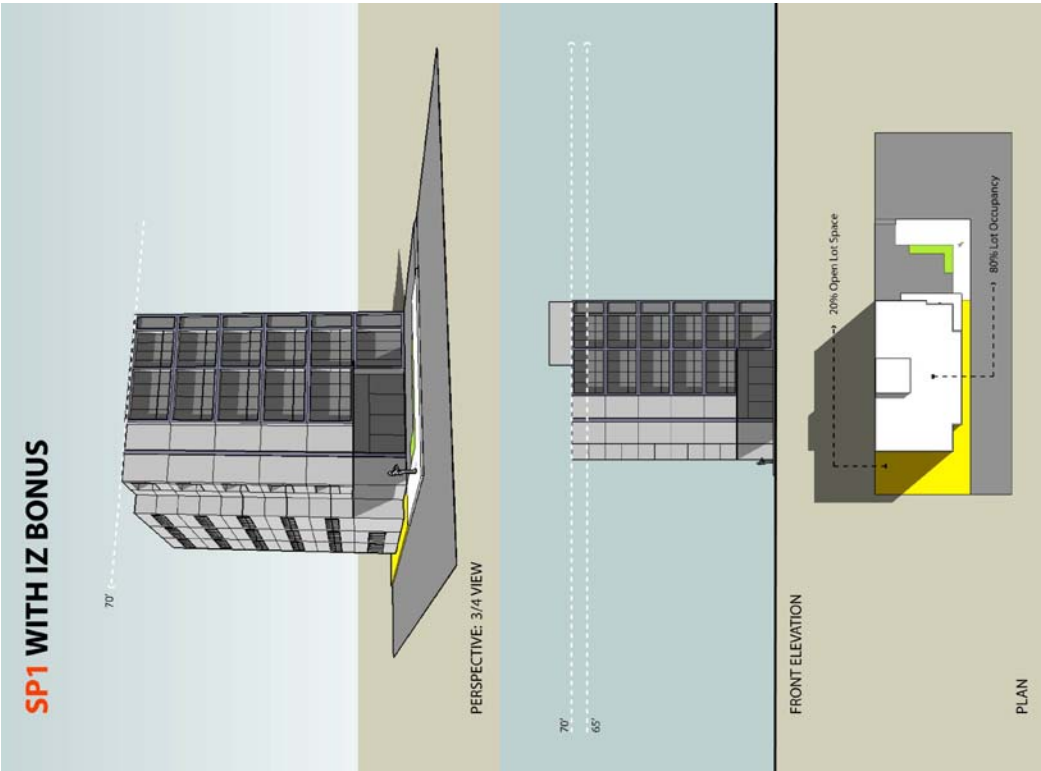
IZ FAR	4.8
IZ Height	70 feet
IZ Lot Occupancy	80%



With 80% lot occupancy already permitted by-right, OP recommended flexibility in height rather than lot occupancy for SP-1. The IZ changes adopted by the Zoning Commission would permit residential building height to increase from 65 feet to 70 feet. Similar to the C-2-B zone, this five foot height increase permits an additional floor of residential space to be added for the bonus density.

The illustration of form changes for the SP-1 zone is essentially the same as the C-2-B zone on the previous page.

Combined with the fact that SP-1 zone is entirely built-out and has no existing development opportunity sites, OP concluded that the five-foot increase in height would have minimal impact on neighborhood form.



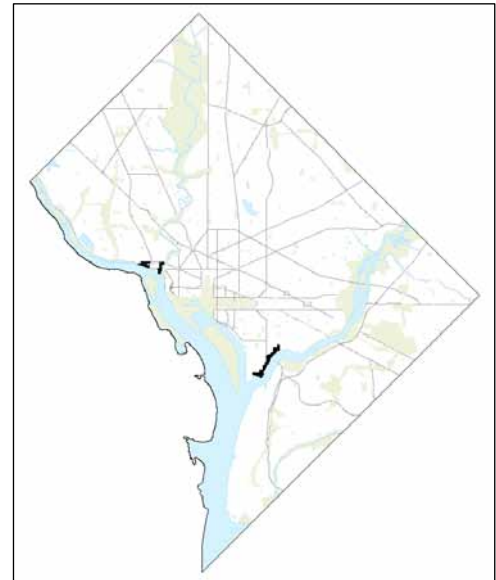
Zone: W-2
FAR 4.0
Height 60
Lot Occupancy 75%

W-2 is considered a medium density zone district and is mapped in only two locations, the Georgetown and Buzzards Point waterfronts.

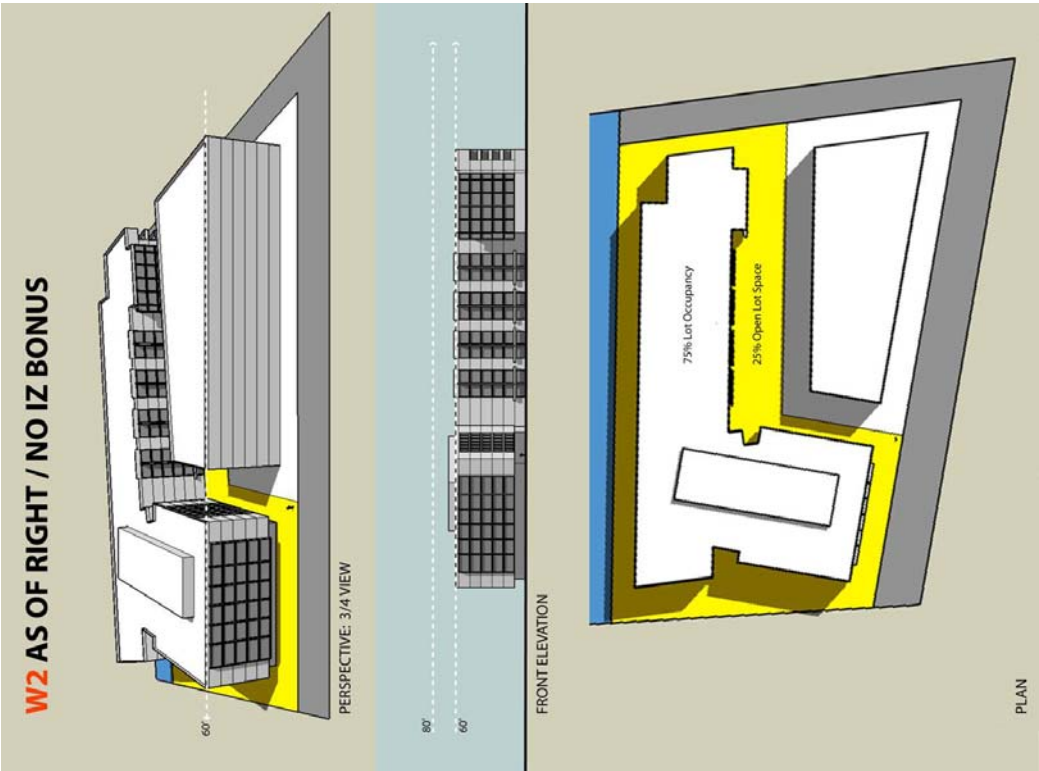
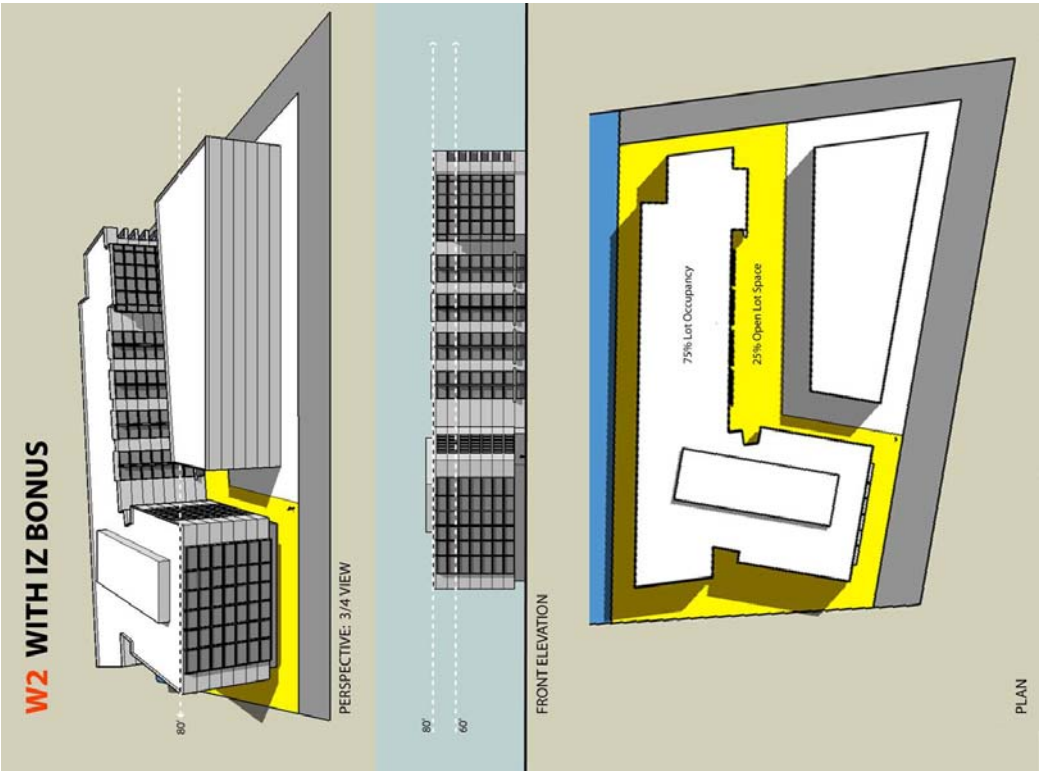
IZ Envelope Changes

Minimum Lot Size:	N/A
IZ FAR	4.8
IZ Height	80 feet
IZ Lot Occupancy	75%

Within the base zoning parameters of the W-2 zone it is difficult to achieve the currently permitted 4.0 FAR unless average floor to floor heights are 10 feet or less. For the sake of analysis OP used an 11 foot floor to floor height to ensure flexibility in the envelope. Using an 11 foot assumption, only 5 floors can be fit into the existing height limit. Combined with 75% lot occupancy, this results in only 3.75 FAR being achievable. OP considered maintaining open areas for waterfront access to be of primary concern. Therefore, in Phase 1, OP did not recommend adjusting lot occupancy. Instead, OP proposed adding 20 feet in order to make the IZ bonus available. This is the largest increase the Zoning Commission adopted in any zone in Order No. 04-33 to accommodate IZ.



The architectural analysis on the following page shows the order of magnitude of the 20 foot increase. While still lower than the base W-3 height limit of 90 feet, the net change is equal to what is permitted in the C-2-C zone in the Downtown Development District created in 1991. OP is concerned about this, particularly given the historic significance of the C&O Canal running through the Georgetown Historic District portion of the W-2 zone. OP has concluded that, for these reasons, the impact of the IZ changes to the W-2 zone form would be significant.



c. Higher Density Neighborhood Forms (W-3, CR, C-2-C, SP-2)

The CR, C-2-C, W-3 and SP-2 zones have been grouped together for analytical purposes. All four zones permit 6.0 FAR, and 90 feet in height. While the W-3 and CR zones restrict lot occupancy to 75%, the C-2-C and SP-2 zones permit up to 80% lot occupancy. In OP's original setdown report of 2005, OP laid out zoning envelope changes for each zone in order to permit the bonus density. The architectural analysis shows the degree to which each change was able to both accommodate the bonus density and its compatibility with neighborhood form. The results are discussed below for each zone.

Zone(s)	W-3 & CR
FAR	6.0
Height	90
Lot Occupancy	W-3: 75% & CR: 80%

Both CR and W-3 are considered high density commercial/mixed-use zones. They are grouped together because of the similarity of their existing envelopes and their IZ-related zoning envelope recommendations.

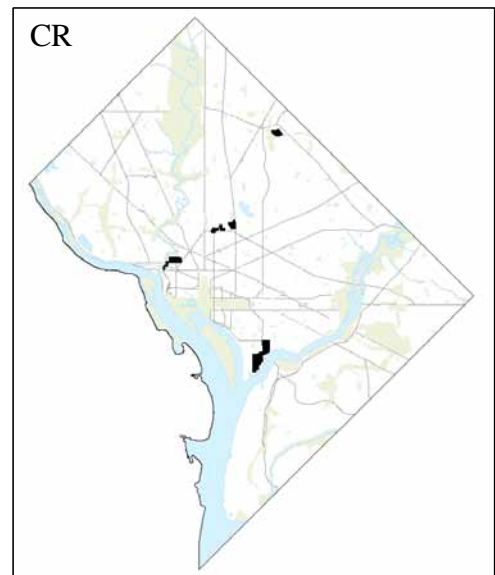
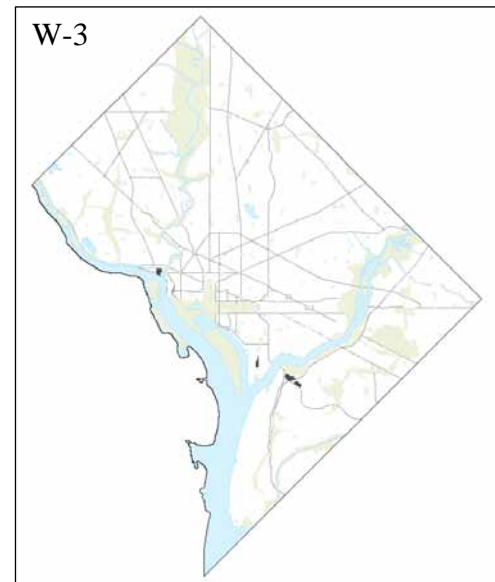
W-3 is mapped in very limited areas of the city, representing only 0.1% of the District's zoned land. It provides for high-density mixed-use in areas along the Potomac and Anacostia rivers including Georgetown, Anacostia and near Fort McNair.

CR is mapped more frequently and across larger areas. Locations include the West End, U Street, Fort Totten and the Capitol Gateway along South Capitol and Buzzard Point. The CR represents 0.2% of zoned land in the District.

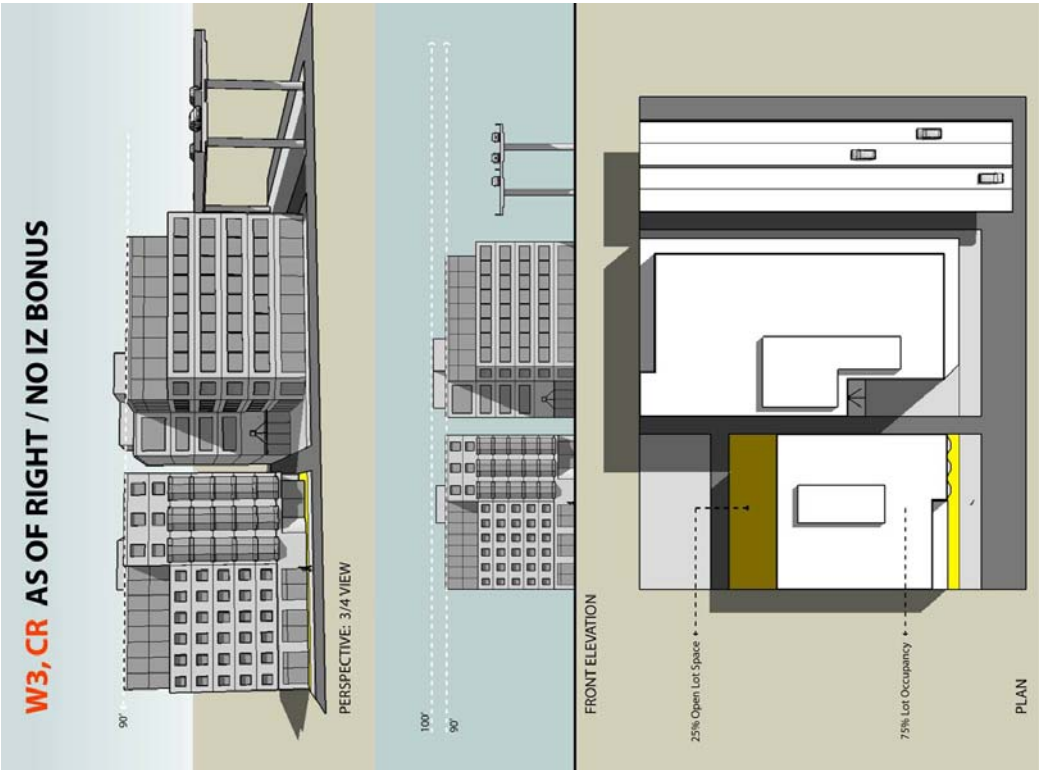
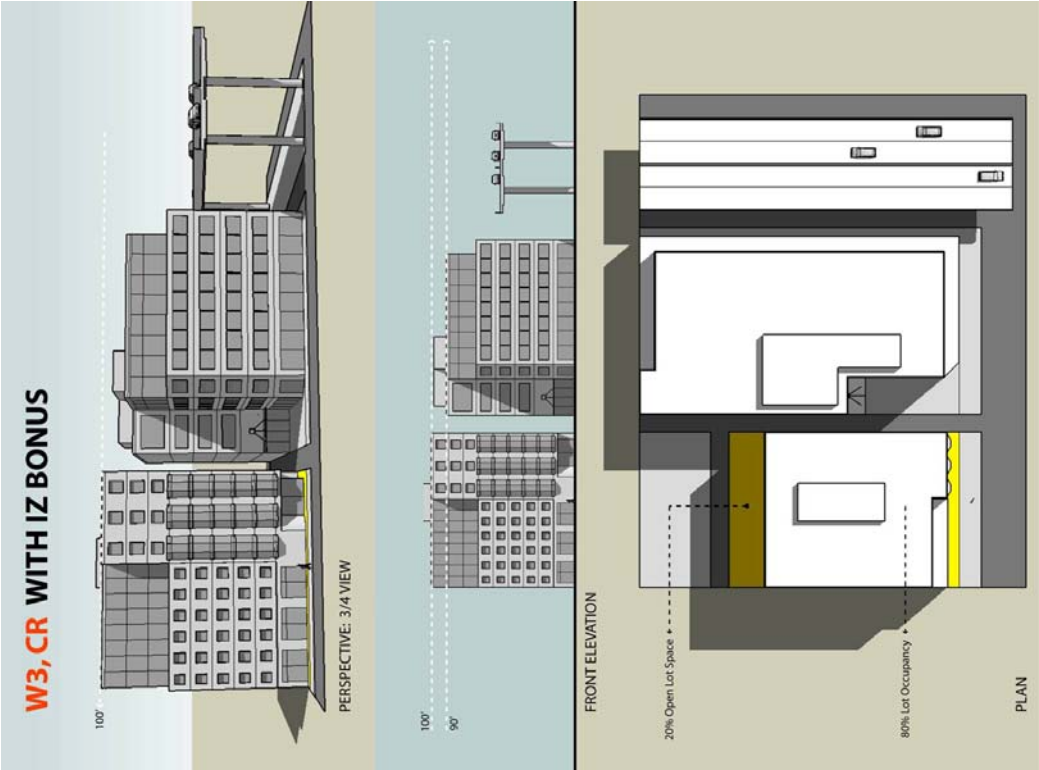
IZ Envelope Changes

Minimum Lot Size:	N/A
IZ FAR	7.2
IZ Height	100 feet
IZ Lot Occupancy	80%

To access the bonus density, both zones would be permitted an additional 10 feet in height. For the W-3 zone, an additional 5% of lot occupancy would be permitted. Much of the CR is within the CG Overlay, where a density of 7.0 and a height limited only by the Height Act are permitted by-right. Zoning Commission review of many parts of the CG Overlay is also required.



The illustrations show the impact of the added height and lot occupancy on building form. OP concludes it would be minimal.



Zone: C-2-C & SP-2
FAR 6.0
Height 90 feet
Lot Occupancy 80%

C-2-C and SP-2 are grouped together because of the similarity of their existing zoning envelope and the IZ recommendations.

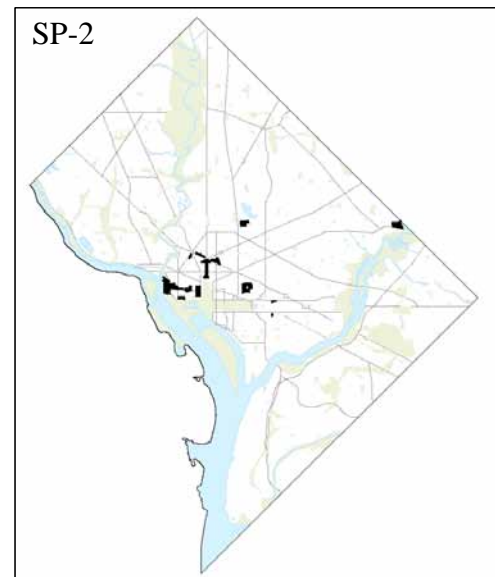
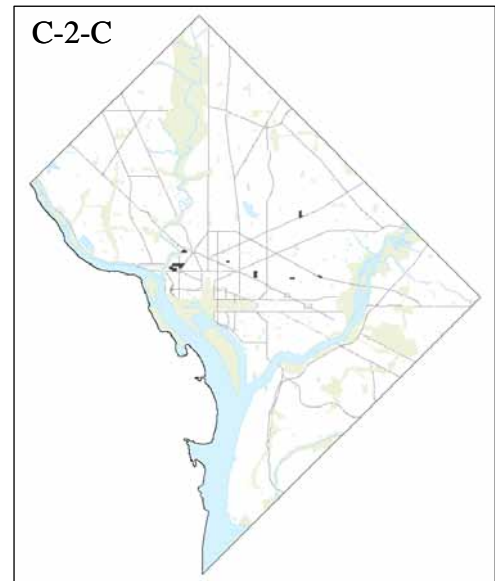
C-2-C is a medium-to-high-density commercial and mixed-use zoning category mapped in limited areas. It represents 0.4% of zoned land in the District. C-2-C is found primarily close to the downtown, but also in the West End, at the Rhode Island Avenue Metrorail station, along H Street, NE, and on a few properties on South Capitol Street.. Most of the C-2-C zone district is within the Downtown Development District, which the Zoning Commission did not advertise for inclusion in the IZ-required areas.

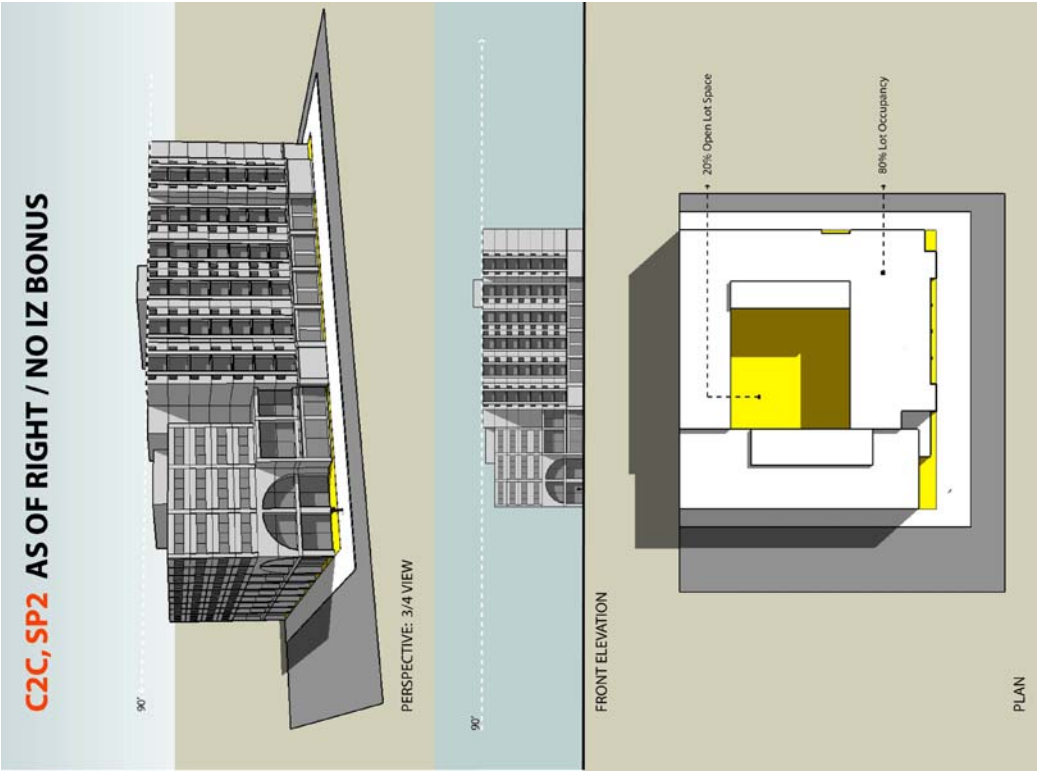
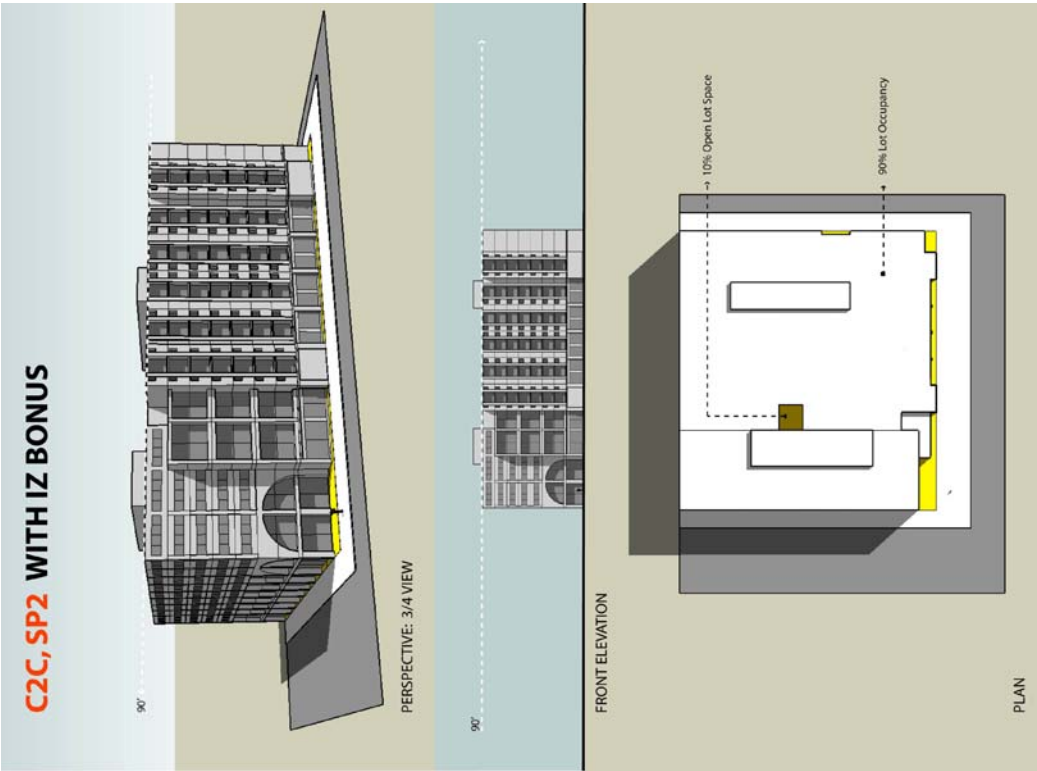
SP-2 is also considered a high-density mixed-use category, but the intent of the SP zones is to act as a buffer between the active high-density commercial areas of Downtown and the quieter, but also fairly dense neighborhoods of the West End, and the less dense Dupont and Logan Circle neighborhoods. Other areas of SP-2 zoning include Howard University, Judiciary Square and Fort Lincoln.

IZ Envelope Changes

IZ FAR 7.2
IZ Height 90 feet
IZ Lot Occupancy 90%

The Zoning Commission expanded lot occupancy in the C-2-C and SP-2 to 90% to accommodate the bonus density. The architectural analysis demonstrates the difficulty of achieving light and air requirements with 90% lot occupancy on site less than ideally situated for these conditions. The Zoning Commission has already eliminated the R-5-E zones from consideration for similar reasons. However, the C-2-C does not have the same Height Act limitations as R-5-E. The limited flexibility of 90% lot occupancy to handle typical site conditions such as party walls suggests that, similar to the CR and W-3 zones, C-2-C and SP-2 be permitted to go from 90' to 100' in height. Such a height increase would be similar to that illustrated for the CR and W-3 zones on the previous page. OP concluded, based on these illustrations, that a lot occupancy of 90% had a greater negative impact on high density neighborhood form than adding 10 feet in height. Therefore OP recommends that the provisions governing C-2-C and SP-2 IZ-related height limits and lot occupancy be adjusted accordingly.





E. HISTORIC DISTRICT NEIGHBORHOOD ANALYSIS

At the public meeting, the Zoning Commission expressed particular concern about the impact IZ-related zoning envelope changes might have on historic districts. Accordingly, the Commission scheduled a separate hearing to discuss the implications of IZ on historic districts. The Commission also asked OP to do additional research focusing on IZ and historic districts.

Based on OP's analysis of the impact of bonus density in historic neighborhoods, OP recommends that the W-2 zone in the Georgetown Historic District and the R-3 and R-4 zones in the Anacostia Historic District be excluded from Inclusionary Zoning requirements.

There are two basic questions that need to be answered in researching how Inclusionary Zoning might interact with historic districts. These are:

1. What would be the impact of bonus density on a historic district?

It is the responsibility of the HPRB to determine the appropriateness of proposed new development within a historic district. The HPRB is particularly sensitive to this responsibility when the application involves changes to normally-permitted FAR, lot occupancy and/or height. Zoning regulations that permit access to bonus density to enable IZ would not diminish the HPRB's review and decision-making powers. The HPRB is permitted to restrict any component of the zoning envelope below what is usually permitted as a matter-of-right. Similarly, it will be permitted to restrict IZ-related bonus density.

If HPRB decisions impede the ability of a development to employ IZ-related bonus density the developer may petition the Board of Zoning Adjustments (BZA) for relief. Z.C. Order No. 04-33 includes additional relief procedures to those normally accompanying a variance request.

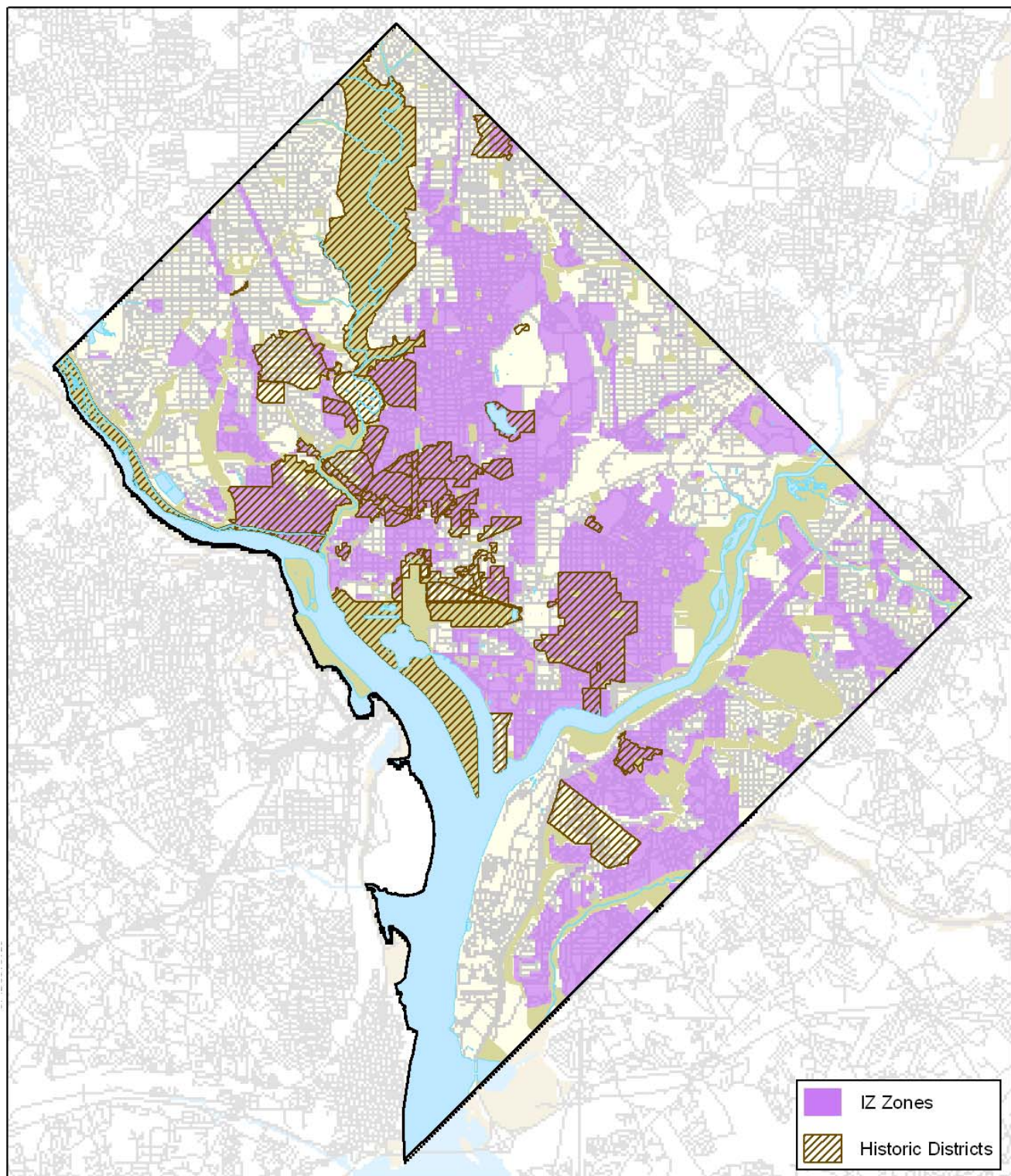
2. Is bonus density available in a historic district?

The Zoning Commission has expressed concern that where bonus density is not theoretically available then IZ should not be mandatory. The HPRB sometimes restricts building height in order to protect a historic neighborhood's scale and character. This suggests that, in some cases, the zoning envelope changes permitted by IZ might be considered out of scale or character with a historic neighborhood. If HPRB denial of the additional IZ-related density becomes a consistent pattern, then the theoretically available density bonus become unavailable in practice. The Zoning Commission wishes to avoid requiring IZ where it is practically impossible to achieve the bonus density balance.

In order to address the above questions OP added several steps to the general neighborhood analysis in order to measure the affect of the overlap between IZ areas and historic districts. These steps included:

- Reviewing bonus density granted in the Uptown Arts Overlay and the Greater 14th Street Historic District.
- Identifying where IZ zones receiving height changes overlapped with historic districts
- Reviewing the changes to minimum lot sizes in R-3 and R-4 in historic row house neighborhoods. (cf. Section III.D.).

Map 11 on page shows where historic districts intersect with the proposed IZ areas.



Map 9. Historic Districts and IZ Zones

1. Uptown Arts Overlay / Greater 14th Street Historic District Bonus Analysis

Over the past six years the Uptown Arts Overlay and the Greater 14th Street Historic District area has experienced considerable residential growth. The design requirements of the historic district and the incentives for retail and the arts have worked complementarily and have resulted in a large amount of high quality development. The end-product is a walkable, pedestrian-oriented neighborhood that provides arts and retail for a vibrant street life. The overlap of the zoning overlay and historic district boundaries provides valuable insight to how the bonus density of IZ might work in historic districts.

The Uptown Arts (Arts) District offers bonuses for arts, retail, and affordable housing on a voluntary basis. The C-2-B zone incentive permits up to a 1.0 FAR bonus (from 3.5 to 4.5 FAR) and up to a 5-foot height increase, from 65 to 70 feet. This is a 29% increase in FAR, and is similar to the IZ bonus. In the C-3-A zone, the Arts Overlay permits up to a 0.5 FAR bonus, from 4.0 to 4.5 FAR, (a 12.5% increase) and ten feet in height, from 65 to 75 feet. The Arts overlay also permits combined lot development.

The change in FAR of C-3-A zoned projects within both the Arts Overlay and the Greater 14th Street Historic District varied from a single project being 23% smaller than permitted as a matter-of-right, to four projects using 6%, 10%, 12% and 24% bonuses. Table 8 below lists the projects where data was available. The three projects receiving a 10% or more bonus reached seven stories. In some cases the Historic Preservation Review Board required floors to be setback to respect either adjacent contributing buildings and/or the view from the street. While HPRB required changes to these projects' designs, they were able to achieve the bonus density available in the Arts overlay. New construction will always affect a historic district, however subtly. However, HPRB concluded in the six cases noted below that the scale and nature of the new construction was compatible with the goal of protecting the historic fabric of the city.

NAME	ADDRESS	ZONE	Base FAR	Total FAR	% Bonus	# of Stories
Rainbow Lofts	1445 Church St, NW	ARTS/C-3-A	4	3.08	-23%	NA
Matrix, The	1529 14th Street, NW	ARTS/C-3-A	4	4.23	6%	6
Saxon Court	1440 Church St, NW	ARTS/C-3-A	4	4.40	10%	7
Q14	1600 14th St, NW	ARTS/C-3-A	4	4.50	12%	7
The Metro / Desoto	1444 Church Street, NW	ARTS/C-3-A	4	4.97	24%	7
Metropole, The	1515 15th Street, NW	ARTS/C-3-A	4	NA	NA	7

Table 8. Bonus FAR and Height in Greater 14th Street Historic District (NA - Not Available).

From this analysis OP concluded that an increase of 10 feet in height in a relatively dense zone can be accommodated without significant impact on a historic district.

2. Historic Districts and IZ Height Bonuses

After reviewing the interaction between bonus density and historic preservation in recent projects, OP explored where zoning categories recommended for IZ height bonuses would interact with historic districts. In Washington, greater height is the most-often perceived impact of new construction on the character of historic districts.

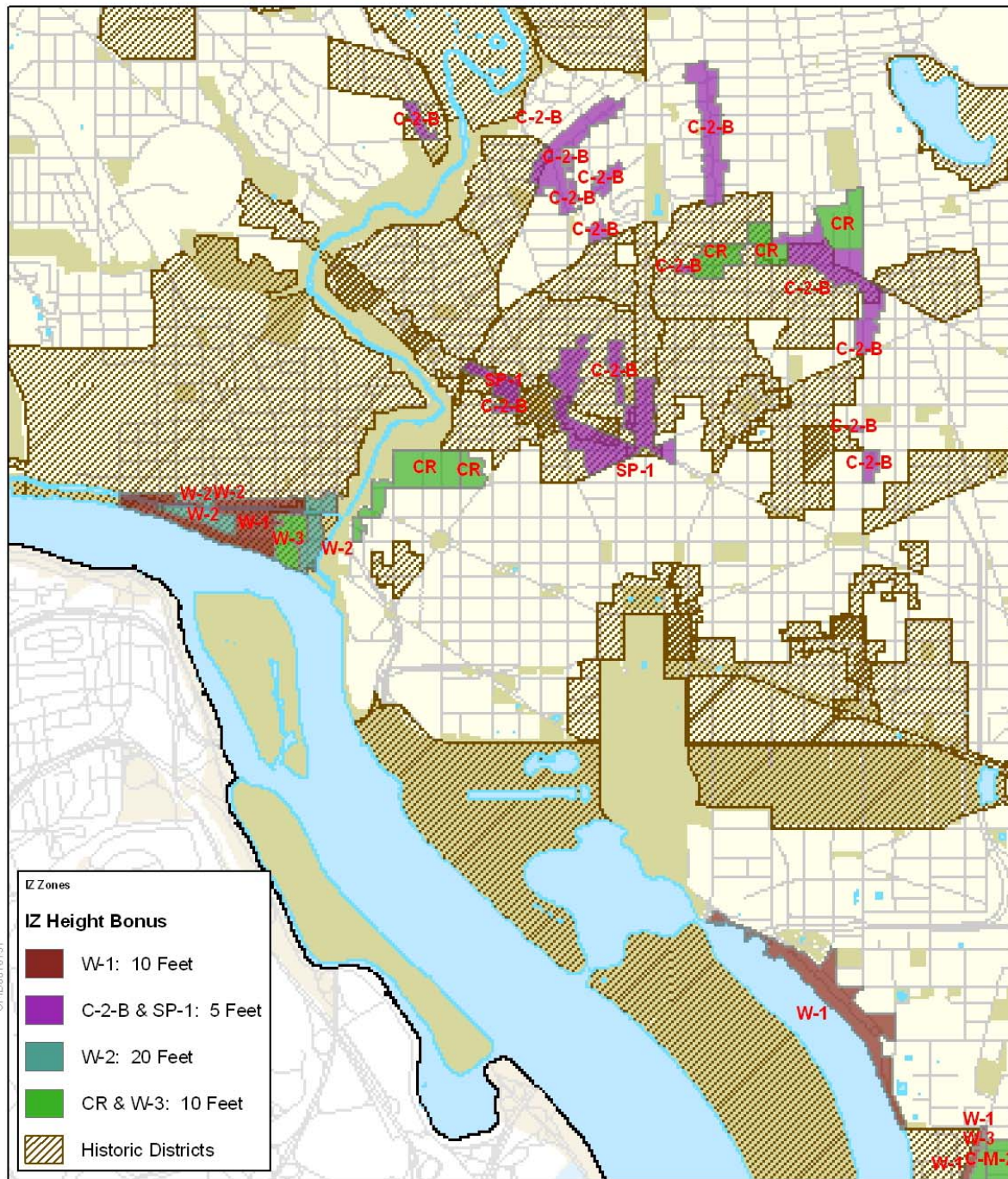
There are six historic districts where IZ recommends greater height. These are:

- The W-zoned portion of the Georgetown historic district (ten to twenty foot bonus)
- The CR-zoned portion of the Rock Creek Park historic district (ten foot bonus)
- The C-2-B and SP-1-zoned portion of the Dupont Circle historic district (five foot bonus)
- The C-2-B portion of the Woodley Park historic district (five foot bonus)
- The C-2-B and CR portion of the U Street historic district (five to ten foot bonus).

Map 12 on page 60 shows the historic districts and the IZ zones receiving height bonuses. Based on the architectural analysis in Section III.D. of this report, and the review of bonus density achieved in the Uptown Arts District, OP and HPO staff concluded that changes of five feet in height in relatively low-scale historic districts, and up to ten feet in denser historic district can be generally achieved without unacceptable levels of impact to historic neighborhood scale and character. Setbacks may be required.

However, both OP and HPO staff were concerned about the increase of 20 feet needed for IZ in the W-2 zone where it is mapped in the Georgetown historic district along the C&O Canal. As noted above, OP recommends the W-2 zone in the Georgetown Historic District be excluded from IZ requirements.¹⁰

¹⁰ The W-3 zone, which normally permits 90 foot heights, is technically not mapped along the canal, although it comes very close. The IZ/W-2 (80 feet) would be very similar to the W-3.



Map 10. Historic Districts and IZ Height Bonuses.

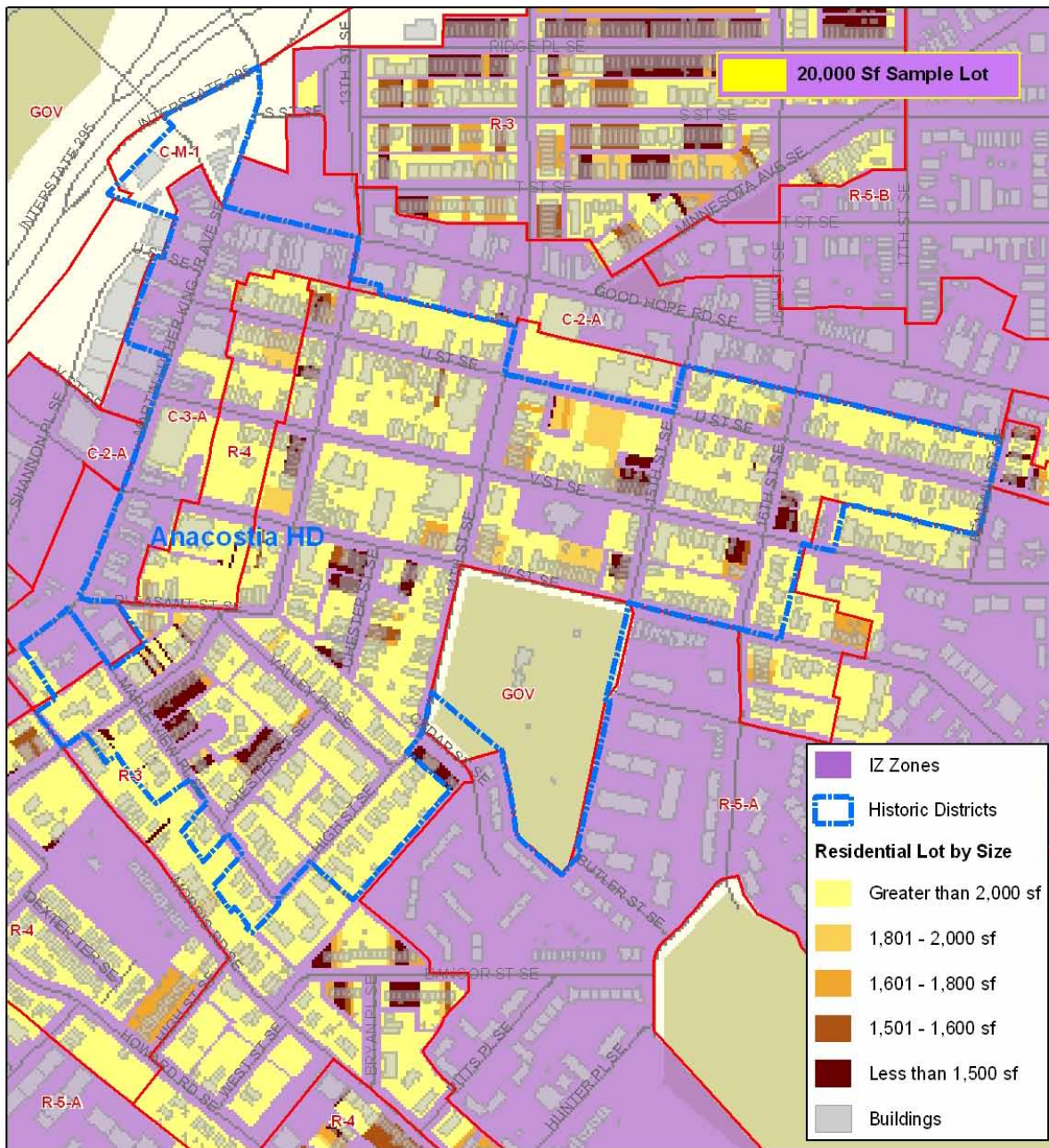
3. Historic Districts and IZ Lot-Size Changes

To analyze the potential impact of IZ provisions permitting smaller lot sizes in the R-3 and R-4 zones of historic row house neighborhoods, OP looked at typical lot sizes in historic row house districts. Maps showing these typical lot sizes are in the Appendix Map 7. The maps show that, historically, whole blocks were often developed at a certain size and width, depending on the market at the time. Sizes could vary considerably, usually by block. Map 8 in the Appendix shows the amount of vacant land available in several historic districts

The amount of developable land area needed to trigger IZ in row-house neighborhoods (R-3: 20,000 square feet; R-4 - 18,000 square feet for single-family and 9,000 square feet for flats) is severely limited in most historic areas. When a site is large enough, a development of 10 or more units would create a unified form on that block, similar to the workings of past developments. This is true whether the older development had lots smaller or larger than IZ. Therefore OP concluded, the recommended lot size changes have minimal to moderate impact on neighborhood character.

However, in consultation with the staff of the Historic Preservation Office, OP has concluded that the changes to R-3 and R-4 lot sizes in the Anacostia Historic District would have a significant impact. Map 13 below shows the typical lot sizes. While there are a few lots similar in size to that permitted by IZ, larger lots – greater than those required by zoning -- dominate the neighborhood. Despite the area having been designated for moderate density use, and zoned R-3 for many years, it has been developed predominantly as a single-family detached home area. Vacancy rates and market prices suggest that there is a considerable amount of land that could be assembled for development within the historic district. Because of this, applying IZ requirements to the Anacostia Historic District could significantly affect the existing form of the neighborhood. Accordingly, OP recommends that the R-3 and R-4 zones within the Anacostia Historic District not be subject to IZ requirements.





Map 11. Existing Typical R-4 Lot Sizes in Anacostia Historic District.

F. ZONING OVERLAYS ANALYSIS

OP recommends that:

- Inclusionary Zoning not apply in the C-2-A portion of the Naval Observatory (NO);
- Where an existing overlay provides a bonus above matter of right development (three zones) the Inclusionary Zoning bonus must be used first, up to the IZ maximum, after which if there is remaining room within the existing overlay's maximum bonus, the development may receive that bonus as well;
- Where an existing overlay is more restrictive than matter of right development then the IZ 20% bonus is calculated using the overlay's permitted FAR;
- Within the Capitol Interest (CAP) Overlay, only the Cap/R-4 district be included within the IZ program;
- The Southeast Federal Center (SEFC) Overlay be exempted from IZ, with the provision that any requests for changes to height, lot occupancy or density in excess of the SEFC's adopted master plan would occasion the application of IZ to the excess increment.

OP further recommends that for clarity and understanding each overlay be amended with the appropriate changes to density, height and lot occupancy. Inserting the necessary changes to the zoning envelope into Chapter 26 would be cumbersome and cause confusion.

The District of Columbia Zoning Regulations have thirteen separate overlays that overlap with Inclusionary Zoning target areas. The Table 3 in the appendix lists select overlays separately, gives the citation, describes the predominant zones, identifies the overlays' bonuses or envelope constraints and summarizes the degree to which they are compatible with IZ. In general, the overlays either provide bonuses above matter of right development or restrict below matter of right development. In accordance with these distinctions, OP developed a separate approach for each type of overlay. This approach allows for both the goals of IZ and the intent of the existing overlays to both be fulfilled with the exception for one overlay.

1. Overlay Zone Exclusions

a. Naval Observatory Overlay (NO)

The NO overlay represents particular federal interests. It includes both the C-2-A and the R-5-A zone districts adjacent to the Naval Observatory/Vice President's Residence complex, near Calvert Street, Massachusetts Avenue and Wisconsin Avenue. The overlay restricts development to a height of 40-feet, but does not restrict FAR.

The 40-foot height limitation causes the loss of a floor in the C-2-A zone, which has a 50-foot matter of right height limit and a 2.5 FAR. The 20% IZ bonus density increases the C-2-A to 3.0 FAR. The loss of a floor due to the overlay is necessary to accommodate the IZ bonus density. Because it is not possible to balance IZ requirements with bonus density, OP recommends the C-2-A portion of the overlay be excluded from IZ requirements.

The R-5-A zone, which has a 0.9 FAR, is able to accommodate the IZ bonus density through the changes to lot occupancy that were incorporated into Z.C.04-33. The overlay's height limitation does not impact the ability to accommodate these IZ-related changes to FAR. OP, therefore, recommends the R-5-A portion of the NO Overlay be subject to IZ requirements.

2. Overlay Zones Where IZ Requirements and Bonus Density Must Be Balanced With Respect for the Intent of the Overlays

There are six overlays that limit matter of right development below what the base zone permits. These are:

- Cleveland Park (CP)
- Eighth Street (ES)
- Fort Totten (FT)
- Woodley Park (WP).
- Reed Cooke (RC)
- Capitol Interest (CI)

Map 12 found in the appendix shows theses overlays and their surrounding neighborhoods. A complete table for these overlays in found in the Table Appendices Table 2.

a. Cleveland Park, Eight Street, Fort Totten and Woodley Park Overlays

These Overlays restrict density to below the underlying zones base FAR.

	BASE ZONE CONSTRAINTS			OVERLAY ZONE CONSTRAINTS		
Base Zone	Zoning FAR	Lot Occupancy	Zoning Height	Zoning FAR	Lot Occupancy	Zoning Height
Cleveland Park (CP)						
C-2-A	2.5	60%	50	2.0	60%	40
Eighth Street, SE (ES)						
C-3-A	4.0	100%	65	3.0	100%	45
Fort Totten (FT)						
C-3-A	4.0	100%	65	4.0	100%	65
CR	6.0	75%	90	5.0	75%	80
Woodley Park (WP)						
C-2-A	2.5	60%	50	2.5	60%	40
C-2-B	3.5	80%	65	3.0	80%	50

To respect the intent of these overlays, OP recommends that in these areas, the 20% bonus density be calculated from each overlay's FAR restriction. In some cases the 20% IZ bonus does not even return the overlay restraints to the base zone's more permissive density, but returns height to the base zone matter-of-right. In these cases the normal zoning envelope flexibility granted through IZ is not necessary. In other cases it means returning the envelope restrictions back to their underlying zones.

b. Macomb Wisconsin

This neighborhood overlay provides for adjustments within the C-1 zone near the National Cathedral. It does not interact with IZ requirements.

c. Reed-Cooke (RC)

The Reed-Cooke Overlay governs a portion of Adams Morgan southeast of 18th Street and Columbia Road.

The RC Overlay is mapped over R-5-B and C-2-B zones, and limits permitted height to 40 feet maximum, whereas the R-5-B otherwise permits a height of 50 feet, and the C-2-B permits a height of 65 feet. FAR is not limited for either zone. Within the RC/C-2-B District, however, the Board of Zoning Adjustment (BZA) may permit a height of 50 feet exclusively for the provision of affordable housing.

OP recommends that, for consistency and overall management of the IZ program, the IZ affordable housing provisions become mandatory, essentially meaning that the RC Overlay "bonus" provision for affordable housing be eliminated as redundant.

c. Capitol Interest (CI)

The CAP overlay surrounds the Capitol building to the north, east and south for a depth of approximately 4 blocks. It includes the C-2-A, R-5-B, SP-2 and R-4 base zones. The overlay limits height to 40 feet, but it also limits FAR to 1.8 for all zones in the overlay including the C-2-A, SP-2, R-5-B and the R-4. The 20% IZ bonus density would increase the FAR of the CAP overlay to 2.16 FAR. 2.16 FAR is easily attainable within the 40 foot height limit of the overlay and the lot occupancy restrictions of the underlying zones.

3. Overlay Zones Providing Bonus Density or Zoning Envelope Increases

OP recommends where an existing overlay provides a bonus above matter of right development (three zones) the Inclusionary Zoning bonus must be used first, up to the IZ maximum, after which if there is remaining room within the existing overlay's maximum bonus, the development may receive that bonus as well.

There are six overlays that permit bonuses in the zoning envelope. They are:

- Capitol Gateway (CG)
- Hotel/Residential (NR)
- Southeast Federal Center (SEFC)
- Uptown Arts (Arts)
- Takoma (TK)
- H Street (HS)

In these overlays OP recommends that the IZ bonuses must be used first, before the existing overlays bonus can be used. If the IZ –generated bonus does not exceed the maximum FAR limit permitted by the overlay, then any unused bonus may be incorporated in to the project, provided the requirements that generate the overlay's bonuses are met. A complete table for these areas is found in the Table Appendices Table 1.

a. Capitol Gateway (CG)

The CG Overlay encompasses much of the Buzzard Point area in the SW / SE part of the District.

- CG/CR – allows a bonus of 1 FAR for residential use, and a height of up to the limit of the Height Act. This leaves sufficient room within the building envelope for a developer to use both bonuses – CG and IZ.
- CG/W-2 – allows a bonus of 1 FAR for residential use, and a height of up to 70 feet. As noted elsewhere, a height of 80 feet for W-2 has been adopted to accommodate IZ. Again, this provides a reasonable envelope to utilize both the IZ and CG bonuses.

- CG/W-1 & W-3 – are now both within recently expanded boundaries of the Federal Fort McNair compound, so not subject to zoning restrictions. If returned to non-federal use, the IZ regulations would apply.
- CG/C-3-C – is also within the South Capitol TDR zone, so would be exempt from IZ requirements. However, under Zoning Commission Case 06-25 (to expand the boundaries of the CG Overlay), one additional property not within the TDR would be included within the CG Overlay. CG does not provide for any bonus density or height for C-3-C, and OP analysis indicates that IZ bonus density could be accommodated within the existing zone restrictions.
- CG/C-2-C – also pending its inclusion in the CG Overlay (ZC Case 06-25) – receives no bonus from CG, but would require a 15 foot setback along South Capitol Street. This, combined with rear yard requirements, would make it difficult to use the IZ bonus density, so *OP recommends a height of 110 feet be permitted*. All CG/C-2-C property fronts onto South Capitol Street, where a consistent 110-130 foot height is anticipated, so this height is in character with plans for the area. Like the CG/W-2, CG/C-3-C, and much of the CG/CR, CG/C-2-C would be subject to mandatory Zoning Commission design review.
- CG/R-5-E (also pending ZC Case 06-25) – would not be provided with additional bonus density or height under the CG Overlay. As noted earlier, OP has recommended that R-5-E not be included within IZ.

The basic assumption is that a developer could choose which overlay offers the greatest envelope flexibility in order to use the bonuses from both. The resulting overlap in the CR, W-3, and C-2-C would result in density similar what had permitted in the DD between 1991 and 2000. W-1 and the W-2 would continue to provide step downs from density along South Capitol.

b. Hotel Residential (HR)

The HR Overlay is mapped over C-3-C from Union Station west to 3rd Street NW. it permits a 2.0 FAR bonus over the permitted Far of 6.5, and a building height of up to 130 feet, or as permitted by the Height Act of 1910.

The table above shows the result when HR and IZ interact, the result being a density similar to that currently permitted in the directly adjacent DD Overlay area. As such, OP recommends that the HR Overlay be included within the IZ program.

c. Southeast Federal Center (SEFC)

The SEFC Overlay was adopted by the Commission in 2002 and represents the culmination of a protracted planning effort by the Federal Government and the Office of Planning, and essentially resulted in a master plan similar to a PUD. The SEFC Overlay includes CR, R-5-E, R-5-D, and W-0 zones. OP considers the density permitted under the overlay to maximize the carrying capacity of the site, while maintaining important open space and view sheds, and the ability to place this density on

the site is, according to the master developer, made more difficult by the presence of a number of historic structures, infrastructure needs, and proximity to the river. As such, OP recommends that the SEFC Overlay as approved by the Commission be excluded from IZ, but that any increases in potential density arising from possible future changes to the Overlay be subject to IZ requirements.

d. Uptown Arts (Arts)

The Arts Overlay is generally applied to the commercial area in the 14th Street and U Street NW neighborhood, from 15th Street east to 7th Street NW, and includes a broad range of commercial zones, including ARTS/C-2-A, C-2-B, C-3-A, and CR Districts. In recent years, the area has seen resurgence as a desirable place to shop and live and there has been significant new development. The ARTS Overlay is intended to encourage a broad mix of uses with ground floor retail and arts uses, and provides bonuses of .5 FAR for these uses. It also provides for bonus density for the provision of affordable housing. The Uptown Arts Overlay provides bonuses to height and FAR for preferred uses such as retail, galleries, or live theatres and affordable housing. It is mapped along 14th and U Streets.

Table 1 in the Appendix details OP's recommendation for the interaction between Arts and IZ. As in the RC Overlay, OP recommends that the IZ affordable housing provisions become mandatory, essentially meaning that the ARTS Overlay "bonus" provision for affordable housing be eliminated. Also as in other zones that provide for bonus density for uses other than affordable housing, OP recommends that the IZ program be given precedence, by being applied first. Density for other bonus uses would be permitted only if possible within the building envelope.

e. Takoma (TK)

The TK neighborhood commercial overlay district applies to the C-2-A zone near the Takoma Metrorail station. It grants a five-foot height flexibility in return for required front setbacks and ground floor heights. It does not provide for bonus density.

The Zoning Commission has already approved an IZ-related lot occupancy increase for the C-2-A zone from 60% to 75%. This, coupled with the TK overlay's 13-foot frontage setback requirement may result in building footprints being closer to the rear and/or side yard restrictions mandated by the Zoning Regulations. However, IZ will not likely result in buildings closer to property lines than is now permitted as a matter-of-right.

The overlay's 5-foot height bonus should enable development to access IZ within the overlay. However, this may require further study.

f. H Street (HS)

Like the TK overlay, the HS overlay requires new construction to have 14-foot clear ground floor heights, and permits an additional 5 feet to compensate for this. In addition the overlay offers 0.5 FAR bonus for a building where the existing façade is retained. The overlay also requires expansion of 50%

or more to receive a special exception. This is the same trigger IZ uses. Therefore any project triggering IZ under these circumstances would have to go before the BZA.

4. Overlays Restricting PUDs

Finally, there are three overlays that restrict PUDs to the matter of right limits of the zones. These are:

- Dupont Circle (DC)
- Foggy Bottom (FB)
- Capitol Hill Commercial (CHC).

OP recommends the zones in these overlays be treated like other zones under IZ requirements and bonuses. These overlays restrict PUD to the matter of right. In essence IZ is changing the matter of right zoning envelope to balance a mandatory requirement of providing affordable housing.

a. Dupont Circle (DC)

The DC Overlay covers a large area with Dupont Circle at its center, from Florida Avenue NW south to M St. NW, and 15th Street NW west to 22nd Street NW, and it includes a number of residential and commercial zones. Its main provision is to limit height and density to that permitted by the underlying zone by-right – essentially eliminating Planned Unit Development (PUD) potential. As the IZ program is based on the ability of by-right height and density to accommodate IZ, OP recommends that the DC Overlay be included in the IZ program, and that the zone-specific recommendations for increased lot occupancy or height apply to the base from which IZ bonus would be calculated. .

b. Foggy Bottom

The FB Overlay has boundaries to identical the Foggy Bottom Historic District's, and has as its purpose, the protection of the integrity of the historic district. The FB Overlay essentially restricts new development to that permitted by the underlying R-3 zone designation. Currently within the area, rowhouse lot size varies greatly, with many lots well below the currently required minimum lot size. The IZ program provides for a smaller lot area for new rowhouse development reducing lot size from 2,000 sq.ft. to 1,600 sq.ft., and lot width from 20 feet to 16 feet. This is not considered inconsistent with the existing lot pattern in the area. In addition, it does not appear that there are any vacant development parcels in the area, particularly ones large enough to trigger the IZ requirement if developed as rowhouses. As the FB Overlay does not provide for restrictions beyond the by-right provisions, OP recommends that the FB Overlay area be included in the IZ program.

c. Capitol Hill Commercial (CHC)

The CHC overlay overlaps with both the Capitol Hill Historic District and the Capitol Interest (CAP) Overlay. It includes several zone district, but the dominant zone is C-2-A. The Overlay restricts

height to that permitted by the underlying commercial zone and restricts FAR to 2.5 where the CHC and CAP overlays overlap, and to 3.0 in all other CAP areas. These restrictions effectively preclude any PUDs within the overlay. As the IZ program is based on the ability of by-right height and density to accommodate IZ, OP recommends that the CHC Overlay be included in the IZ program, and that the zone-specific recommendations for increased lot occupancy or height apply to the base from which IZ bonus would be calculated. .

IV. OTHER ISSUES FOR CONSIDERATION

The Office of Planning recommends the Commission make one immediate clarification of the IZ Order No. 04-33, and consider two setting down modifications to the text. of the Inclusionary Zoning Regulations.

A. CLARIFICATION OF BASIS FOR CALCULATING MINIMUM PERCENT OF UNITS AFFORDABLE

It is possible to interpret Order No. 04-33 as including retail and commercial space as part of the square footage used to calculate the minimum square feet of affordable units. This is not what OP had intended when drafting Mixed-use projects provide valuable retail and other preferred uses that contribute to pedestrian oriented urban environment with vibrant activity. Basing IZ requirements on the overall square footage, rather than the residential square footage, may inhibit the provision of retail space.

OP recommends that the language be added to 2603.1 to read:

Mixed-use development projects shall devote the greater of 10% of the residential use provided or 75% of its bonus density to inclusionary units.

Similarly OP recommends that language be added to 2603.2 to read:

An Inclusionary development of steel and concrete frame construction located in the zone districts state in S 2603.1 or any development in a C-2-B, **C-2-C**, C-3, CR, R-5-C, R-5-D, ~~R-5-E~~, SP, W2, or W-3 zone district shall devote the greater of 8% of its matter of right density or 50% of its achievable bonus density to inclusionary units. **Mixed-use development projects shall devote the greater of 8% of the residential use provided or 50% of its bonus density to include...**

B. ZONING ENVELOPE FLEXIBILITY

1. C-2-C & SP-2

The architectural analysis found in Section III.D. illustrated the difficulty and negative impact on light and air when lot occupancy is expanded to 90%. While potentially possible on an ideal site, it would require other sites to seek variances to provide reduced court yards or minimum setback. OP recommended exempting the R-5-E for similar reasons. However, the R-5-E is capped at 90 feet by the Height Act. Commercial and mixed-use zones are not limited in the same way.

Upon further consideration OP recommends that the Commission consider advertising amendments to Order No. 04-33's zoning envelope flexibility permitted these zones to accommodate the bonus

density. OP believes the adjustment should be changed from an increase in lot occupancy to an increase in height. OP recommends that these zones receive height bonuses of 10 additional feet, from 90 feet to 100 feet and the lot occupancy be limited to their base 80%.

The changes are similar to those offered the CR and W-3 zones.

2. Either Lot Occupancy or Height

OP recommends the Zoning Commission consider a future modification to the zoning regulations that would permit a development the choice of either lot occupancy expansion or height bonus, but not both. This would enable an architect to potentially better tailor the design of the building in order to fit the requirements of the site. This idea stemmed from a recent comment received during one of the IZ briefings given to ANC members. OP has not had the opportunity to fully study this as an option, but would do so at the request of the Zoning Commission

V. COMMENTS RECEIVED

A. ANC COMMENTS

At the request of the Zoning Commission, the Office of Planning held a series of special briefings for the Advisory Neighborhood Commissions. These briefings had two goals: first to increase outreach and awareness of the IZ proposal before the Commission and; second, to receive feedback from the commissioners on the Office of Planning's initial mapping analysis. These briefings were held over three nights and at different locations

September 13 th	Oyster Public School in Ward 3
September 14 th	Pryzbla Center, Catholic University in Ward 5
September 19 th	Marshall Heights CDC in Ward 7.

Outreach for the meetings included: hold the date emails to Commission Chairs in early August, Date and Location Confirmation emails to all commissioners in late August, post cards to all commissioners in late August and a reminder email with directions for the 9/14 and 9/19 briefings.

A total of 24 people attended the sessions. Not all attendees were ANC Commissioners. Comments included:

- A preference for granting height over losing open space to greater lot occupancy.
- Strong skepticism over the efficacy IZ and concern for possible negative impacts of IZ.
- Concern over increases in lot occupancy where commercial zones abut the rear yards of single family zones.
- Concern over the impacts on transportation congestion, both vehicular and Metrorail.
- Concern over the impact on available on street parking.

- Concern was expressed that PUD's could get both the IZ bonus and PUD bonuses on top of that, in effect double-dipping.
- Wondering if there were a way to introduce greater flexibility of design in order to better tailor the projects to the neighborhood they are in? Why could a developer choose between increase occupancy and increasing height, as long as the ANC got to review the project?
- Concern that excluding the R-1 and R-2 zones undercut the objective of having IZ requirements spread as broadly as possible throughout the District.

As of September 19, 2006 no written comments from ANC's had been filed regarding the areas recommended in OP's June 30, 2006 setdown report for inclusion in the IZ program.

B. AGENCY COMMENTS

No written agency comments had been received as of September 18, 2006. However, OP has been working closely with DDOT, the Department of Health, WASA and the District of Columbia Public Schools (DCPS) on the development of these IZ proposals over the last two years. OP anticipates that some of these agencies will be filing comments before the case record closes.

VI. SUMMARY

OP believes these proposals advance the important goal of ensuring the construction of more affordable housing in Washington, while also respecting historic districts and zoning overlays, and having little to modest impact on neighborhood form.

Tying the requirement to appropriate zoning categories provides the greatest simplicity, equity and effectiveness possible. It eliminates the complexity of mapping an overlay that covers large areas of the city in some places and narrow slivers in others. It enables flexibility for the areas of the District encompassed by the Inclusionary Zoning regulations to respond to zoning changes without requiring separate amendments to an overlay map.

OP recommends the Zoning Commission adopt the outlines for the text changes proposed in Section I of this report, and direct staff to develop zoning regulations codifying these changes in a proposed Preliminary Order, for review by the Zoning Commission in November 2006.